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Editorial AS WE SEE IT

A renowned philosopher once remarked that we learn nothing from history except that we learn nothing from history. Before these words are put down as a masterpiece of cynicism, it might be well to look around us to see what has been going on during the past two or three decades in this country. Remembering that the great depression began in the Administration of President Hoover (who, of course, followed another Republican, Calvin Coolidge) a good many have repeatedly made the broad statement that the Republican party generates depressions when it has been in office a number of years. The political reply most often heard is of a piece with the allegation, namely that the Democratic party has a way of getting us into world wars—reciting the fact that both World Wars started during Democratic regimes. It would be difficult to say which of the two political claims has the less real support in history.

What we should be concerning ourselves with is, in any event, not which of the major political parties have done this or that, but rather what broad public policies have shown through the decades and even centuries that they best serve the real interests of the people. The fact of the matter is that for a good many years, even decades, there has been all too little difference between the policies of the major parties and all too great a difference between them both on the one hand and the broad governmental policies on the other that have historically fostered economic welfare. It will be recalled that in the early days of the New Deal the popular idea was that the historical growth of this country was largely a thing of the past in any event, that we had then reached "economic maturity," and that policies henceforth should be directed at a redistribution of wealth and income, this being the only hope of those whose economic status was badly in need of improvement.

And Now, Growthmanship

Now the political heirs of the New Deal make the welkin ring with growthmanship *(Continued on page 30)*

American Bankers Association Holds 86th Annual Convention

Many pressing financial and economic problems of both domestic and international importance receive attention of nation's bankers. Annual meeting elects Carl A. Bimson, President; Sam M. Fleming, Vice-President; and reelects I. F. Betts, Treasurer of the Association. Our international economic role, fallacy of monetary isolationism, savings banks' competition, new Inter-American Development Bank, and banks' emergency defense planning are, respectively, discussed by Hon. W. Randolph Burgess, Dr. Gabriel Hauge, Prof. Jerome B. Cohen, Robert Cutler, and John J. McCloy.

The American Bankers Association's 86th Annual Meeting held in New York City, Sept. 18-21, addressed itself to a rising tide of domestic and international issues ranging from bank taxation to international balance of payments.

The Convention was held at a time marked by a pause in the economy, an attack upon the United Nations and the office of Secretary General by Mr. Khrushchev, graced by his attendance in the General Assembly, and a step-up in the Presidential campaign and accompanying debate on our growth rate and other issues.

Principal Officers Elected

Carl A. Bimson, President of the Valley National Bank, Phoenix, Arizona, was elected President of the American Bankers Association at the First General Session of the 86th Annual Convention of the Association. Mr. Bimson was advanced from the Vice-Presidency of the Association.

Sam M. Fleming, President of the Third National Bank, Nashville, Tennessee, was elected Vice-President of the Association.

I. F. Betts, President of The American National Bank of Beaumont, Texas, was reelected Treasurer of the Association. Mr. Betts served as Association Treasurer in 1959-60.

The ABA Organization Committee announced that 17,371 banks and branches are now members of the Association. These figures, given by John B. Keeline, Chairman of the Committee and President of the Central Trust and Savings Bank, Cherokee, Iowa, are as of Aug. 31, the close of the Association's fiscal year. Included in the membership are 3,700 branch offices of U. S. banks and 132 associate memberships of banks in foreign countries.

At the close of the fiscal year, ABA membership represented over 98% of the nation's commercial banks, and 96% of all banks, both commercial and mutual savings banks.

The present membership of 17,371 compares with a membership of 17,690 as of Aug. 31, 1959.

The gain of 356 memberships was offset by the withdrawal from membership of 238 mutual savings banks and 103 of their branches, and 39 head offices and 259 branches of commercial banks contributing also to a net decrease of 319 members since last Aug. 31 were mergers and liquidations.

New Committee Named to Coordinate ABA's Work for Tax Revision

A new committee to coordinate efforts of the Association to achieve more equitable Federal taxation of commercial banks and mutual thrift institutions was announced by retiring Association President, John W. Remington.

Named to serve on the Committee on Uniform Tax Treatment were: Joseph M. Naughton, President, Second National Bank, Cumberland, Maryland, Chairman; Lloyd L. Austin, President, Security First National Bank, Los Angeles, California; James M. Givens, Vice-President, Indiana National Bank, Indianapolis, Indiana; Louis B. Lundborg, Executive Vice-President, Bank of America N.T. & S.A., San Francisco, California; Howard J. Stoddard, President, Michigan National Bank, Lansing, Michigan; and M. Monroe Kimbrel, Executive Vice-President, First National Bank, Thomson, Georgia, as an ex-officio member.

Mr. Kimbrel is chairman and Mr. Naughton and Mr. Givens are members of the Association's standing Committee on Federal Legislation with which the new committee will work closely.

Mr. Remington, Presi- *(Continued on page 22)*

American Bankers Association Convention Issue

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

Baker Oil Tools, Inc. — Augustus Slater, Research Department, Lester, Ryons & Co., Inc., Los Angeles, Calif. (Page 2)

Bush Terminal Company—Edward W. Ferguson, Manager, Investment Research Department, Laird, Bissell & Meeds, New York City (Page 2)

AUGUSTUS SLATER

Research Department, Lester, Ryons & Co., Los Angeles, Calif.

Members: New York and Pacific Coast Stock Exchanges

Baker Oil Tools, Inc.

The well known adage to the effect that "He profits most who serves best" is aptly illustrated by the company able to increase sales, earnings, and future potentials while competitors languish in a period of economic doldrums. **Baker Oil Tools** has just reported substantial gains in volume of business and profits for both the third fiscal quarter and nine months ended June 30 this year as compared with like periods of 1959. Sales for the year ending next Sept. 30 will approximate $25 million and earnings, with 58¢ logged for nine months and 19¢ during the third quarter should exceed 80¢ per share for the full fiscal year. At the current market the stock sells at an ultra-conservative 9½ times earnings, and yields 5¼% on the 10¢ quarterly dividend which was supplemented by a stock distribution of 4% on Aug. 25.

Augustus Slater

Baker Oil Tools was founded nearly half a century ago to commercialize a patent issued to its founder, the late Reuben C. Baker, in 1907. Since then the company has experienced a record of continuous growth through its increasing line of tools and services designed to extract oil and gas from the ground most effectively at the lowest possible cost. Toward this end Research and Development engineering has been a major and expanding activity of the company. More than 200 different products and other items of equipment are produced in the company's two plants, in Los Angeles and Houston, and sold through nearly 70 of its own branches and sales offices in the United States, through oil well supply houses, and representatives throughout the free world. A new manufacturing subsidiary is scheduled to begin operations in Mexico City by late 1960, and in connection with the announcement it was stated that "the Mexican Government plans a substantial increase in exploration activities over the next few years to keep pace with the increasing demand for petroleum products in that country—by manufacturing our products in Mexico, we should gain a greater share of this expanded market than is possible through export trade from the U. S."

The company's products are well known and in increasing demand throughout the oil world, both in this country and abroad—in fact, foreign sales during the third fiscal quarter showed a 25% year to year gain, and are expected to contribute increasingly to its business. Furthermore, since Baker's broad line of sophisticated patent - covered tools are used preponderantly in oil and gas well cementing, production, and remedial - stimulation operations it is effectively insulated against short term swings in over-all drilling activity.

Names and uses of many Baker products are as exotic to the layman as much of the electronic terminology with which he is constantly assailed, but here are a few. "Baker Float Shoes," "Collars," "Casing Centralizers," and "Wall Scratchers" are items of subsurface equipment which greatly assist in the difficult job of running casing into the hole, and contribute to the success of the subsequent cement job to prevent inter - zonal leakage. The Baker "Cement Retainer" and "Full-Bore Retrievable Cementer" are two items used in remedial - stimulation operations, the company also providing on-the-spot engineering services to assure proper operation of the tools used. Baker "Retainer Production Packers," "Snap-Set Dual Packers" and "Tubing Anchors" are used in actual production operations, with additional engineering service where required. The recently introduced "Triple-String Retrievable Packer" plus a novel "Hydraulic Side Door Completion Valve" will enhance the company's position in the multiple completion field which has become of increasing importance to the petroleum industry. Thus, the company's creative abilities are tangibly reflected in an 80% increase in sales and more than doubling of earnings during the past half-dozen years alone. In the face of economic necessity to reduce costs in all phases of oil and gas production there is every reason to believe that this outstanding growth record under the company's exceptional management and engineering capabilities will be continued.

The June 30 balance sheet presented a picture of unusual financial strength — $12.5 million of current assets included cash alone in excess of current liabilities of $3.5 million, and oil stock investments purchased in the 1930's at a cost of $131,000 having a current value in excess of $1 million. Total assets exceed $20 million.

First public offering of the company's stock was made through an underwriting group headed by Lehman Bros. & Lester, Ryons & Co. in November, 1959.

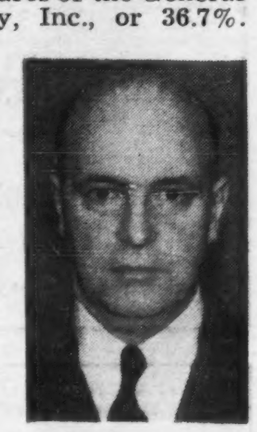
EDWARD W. FERGUSON

Manager, Investment Research Department, Laird, Bissell & Meeds, New York City

Members New York Stock Exchange

Bush Terminal Company

The Bush Terminal Co., listed on the New York Stock Exchange, owns 521,000 shares of the General Cigar Company, Inc., or 36.7%. Thus, each share of Bush Terminal's outstanding 804,694 shares has, in effect, slightly more than ⅝ of a share of the General Cigar Co. Because of this sizable investment position it naturally follows that stock price changes in General Cigar will be reflected in the stock price of Bush Terminal. Insofar as the sales of General Cigar have recorded a gain of 8% compounded annually since 1950, and net income has recorded a gain of 16% compounded annually in the same period, a dynamic growth element must be accorded to the common stock of the Bush Terminal Co.



Edw. W. Ferguson

In addition to this not generally recognized growth factor operating in Bush Terminal is the element of a special situation. The net properties, facilities and equipment of Bush Terminal are carried on the books of the company at a stated value of $14,303,711 which compares with an assessed value of $21 million. Assessed valuation fairly approximates market value as evidenced by a recent sale of a piece of property to the Port Authority at 8% above the assessed valuation. The potential value of this "special situation" element in Bush Terminal can be appraised by deducting the value of the General Cigar holdings. (521,000 shares at $34 per share equals $17,714,000 or $22 per share of Bush Terminal.) Thus, Bush Terminal at $27.50 less $22 per share for the General Cigar holdings, leaves a residual value of $5.50 per share for Bush Terminal — a major freight terminal. Now, if the security buyer considers the $7 million difference in the stated value of the net properties, facilities and equipment of Bush Terminal with the assessed valuation of such properties, there is approximately $9 per share to be added to the residual value of $5.50. This is a figure of consequence not to be disregarded. Bush Terminal management is alert on ways and means to realize on this potential although presently there are no deals in the discussion stage.

In considering Bush Terminal as a security holding, due recognition must be given to General Cigar and its above - average growth prospects. The natural and apparent reaction is to conclude in favor of General Cigar. This decision results in writing off the "special situation" factor in Bush Terminal. It also means buying General Cigar at its all-time high price as against buying Bush Terminal eight points below its 1959 high of 35¾. In addition, it overlooks the highly important fact that the controlling interest in Bush Terminal may be regarded as the controlling interest in General Cigar because of its large holdings of 36.7%.

A brief yet concise summary of Bush Terminal Co. and the General Cigar Co. follows:

BUSH TERMINAL COMPANY

Capitalization (as of Dec. 31, 1959)

	Outstanding
Cumulative pfd. stk.	*None
Com. stk. ($1 par)	†788,916 sh.
Long term debt	‡$6,075,000

* 70,500 shares authorized.
† 1,250,000 shares authorized. Shares outstanding exclusive of 2% stock dividend on Feb. 11, 1960.
‡ First mortgage 4½% bonds, due 1975.

Business: Bush Terminal Co., Inc. was incorporated in New York on Feb. 10, 1902. The company conducts a terminal and warehouse business, leases steamship piers and industrial space. The wholly owned Bush Terminal RR. Co., through agreements entered into with all truck lines having terminals in the New York harbor, acts as their terminal railroad agent affording tenants of Bush Terminal Co. and the Bush Terminal Building Co., facilities

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Plain Truths About Money in Current Political Campaign

By Dr. Gabriel Hauge, Chairman, Finance Committee, Manufacturers Trust Company, New York City*

The growing importance the issue of monetary discipline and credit restraint is taking in the political campaign prompts Dr. Hauge to set the record straight on what he finds has become the shuttlecock of partisan politics. The former member of the Council of Economic Advisors criticizes the opposing views of both the neo-stagnationists and the growth addicts; denies interest rates determine growth rates by themselves; and says we cannot pick an arbitrary rate of growth for the money supply. Dealing with confusion about means and ends, Dr. Hauge points out that neither stable price level nor high employment are ends in themselves. The banker warns of the danger of monetary isolation in terms of our gold flow situation, and stresses why sound money really matters.

The institutions which we as bankers serve constitute the foundation of our monetary system. Operations of the banking system largely determine the supply of money and influence the rate of interest, factors with great leverage in our lives. Changes in the money supply influence the price level and the efficient functioning of the price system, that extraordinary computer that governs our economy. The supply of credit affects the volume of investment which is the major influence on the rate of economic growth. Producing, distributing, earning and consuming, saving and investing are the economic facts of life; and in them all, money, indeed, does matter.

Dr. Gabriel Hauge

It is not surprising, therefore, that the subject of money holds such fascination, or that over the years it has been the object of so much wisdom and even more folly. This interest is heightened at this time because the nation is preparing to hold its quadrennial referendum on who shall lead it and what policies shall guide it. Political campaigns usually bring attacks on people in the money business, and on their policies. The drumfire has already begun, and it can be expected to mount with growing intensity in the remaining weeks of the campaign. We who are in the money business obviously have much at stake: the privilege of serving the economy in the context of a freely operating credit market in which interest rates reflect the changing balance of financial needs and resources.

The Federal Reserve System, as the prime mover in monetary policy, has inevitably been drawn into the political crossfire. Both candidates for our highest office have declared their intention to maintain the Federal Reserve's statutory independence. However, one of them has been quoted in the New York *Times* as saying: "But the President has great influence. The President and the Federal Reserve work closely. I have no doubt that any new President would find the Federal Reserve pursuing a new economic policy." I must confess that I find this a most disturbing statement. Our central bank, under its present charter, enjoys wide confidence among people in both parties. It would be most unfortunate if the Federal Reserve's future independence were jeopardized by enveloping it in some new economic policy council under direct presidential control or through the deliberate use of the presidential appointive power. We must be alert, for, like the power to tax, the power to appoint is the power to destroy.

Money Mischief

As a further illustration of the involvement of our sector of the economy in political debate, one of the party platforms promises "an end to the present high-interest, tight-money policy" as the first step toward speeding economic growth.

Even bankers may be startled at the importance now being attached to a single aspect of economic policy, and at the damage attributed to the monetary policies of recent years. These policies are blamed for recession and inflation, for slow growth, and for expansion of capacity more rapid than the rise in output—and all in the same breath.

Expansion of capacity faster than the growth in production, which we have witnessed in some lines, reflects large gains in technology, and building capacity ahead of a rising demand. It presages rapid growth. It is hard to believe that credit restraint and rising interest rates could be responsible for "excessive" investment. Would loose money and cheap credit discourage investment? Or stimulate it less than consumption? Merely to ask these questions is to answer them.

The simple-minded belief that credit restraint fuels the fires of inflation is based on the fact that interest is a cost, and that higher costs tend to raise prices. Some also argue that credit restraint promotes inflation by cutting investment, thus slowing productivity gains. These supply-centered views forget that demand and money supply also have influence on prices. A more reasonable view is that credit restraint, if carried too far, may cause a recession by cutting pro-

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OBSERVATIONS...

BY A. WILFRED MAY

GOLD AWAY FROM THE CONVENTION HALL

JOHANNESBURG, UNION OF SOUTH AFRICA—One need not attend this week's International Monetary Fund meeting in Washington to hear the South Africans' annual appeal for a rise in the gold price. "Your present price is not realistic pay for our gold mining companies, particularly in view of the rising prices throughout the economy," said Nicolaas Diederichs, South Africa Minister of Economic Affairs, to us in an interview in Pretoria. Having been around the gold mines here over the past fortnight, our reply could fortunately be less academic than are the proceedings in Washington's Hotel Sheraton Park. We reminded the Minister that under the present price, "unrealistic" as it may seem to him, gold mining companies are registering profits ranging from 33% to 66% of gross income; and that the companies were seeing fit to increase their production substantially.

Needed Subsidies

The Minister did not dispute these statements, but rejoined that his hardship point applies to high-cost marginal producing mines. Thus, the United States is being asked to subsidize South Africa's marginal producers, the irresponsible Soviet Union with her unknown gold stocks, and what has landed us in our troubled exchange situation, aid to the world's "less developed."

The need of subsidy for South Africa's exchange reserve situation is not to be denied. The serious inroads on her foreign exchange holdings have not subsided, having now fallen under the £100 million level. And her trade gap deteriorated further during August. Exports fell to £32.3 million compared with £36.8 in July and £38.8 million in June. Imports, on the other hand rose, by £4.3 million to £52.9 million, the highest total reached this year.

Increased Gap to Fill

So far this year, the adverse gap on merchandise account has increased to £86 million from £251 million during the first eight months of 1959—a void that was only offset by increased receipts for her gold bullion.

LET US AT LEAST CALL OUR SUBSIDY SHOTS!

Incidentally, it must be remembered that inflating one section of the economy usually is not so confined. Here, the inflation ensuing from a gold price increase would work to the disadvantage of the country's diamond market—with its relatively stable free-world price incurring a cost-price squeeze.

* * *

DIAMONDS, THE CONGO, AND G. E.

What will be the effect of this Continent's political upheavals on the world's diamond markets—a question further complicated by increased *synthetic* production, led in the U. S. by General Electric?

Belgian output has been devoted 90% to industrial uses; with that category's production, at 12 million carats, comprising 60% of the world's 21 million carat production total. The Belgian Congo, under the terms of her long-term contract has recently shipped her Crushing Bort to the London Syndicate for her account here. A year's supply of this important class of industrial diamond has thus been added to the existing visible supply.

Neighboring Ghana, with 80% of her output industrials, sells—outside of the Syndicate—to a dozen licensed buyers in the capital city, Accra, whither they come from Antwerp, Amsterdam and New York.

The Synthetic Threat

Synthetics, whose use is now confined to abrasives, is facing great expansibility in other areas as well. Motivated by such great potential, synthetics of the same type as G. E.'s are now being made by De Beers themselves, on an experimental basis. The Swedes and Hollanders are thought also to be actively developing synthetics.

Of course, the U. S. S. R. also gets into the act. Her output, with the amount undisclosed, is largely devoted to industrials. While her inventory is a matter of conjecture only, and while she has made an arrangement to be included in the Syndicate's sales for her gems, nothing has been so delivered; and her supplies will remain manipulated, unreliable, and dumpable for political purposes (as she has done with platinum and zinc).

We thus conclude that the threats to existing production will keep diamonds scarce and relatively high in price over the relatively short term; to be followed by the manifestations of over-production in the industrial and synthetic segments of the business.

Domestic Vulnerability

Many facets of vulnerability to the domestic diamond producers stem from the acute African political co-economic situation. One of these exist in the labor sector. With the mines' wage bill taking 50% of the mines' working expenditure and allocated 34% to the European (white) workers, and only 16% to the much larger number of Africans, the pinch on profits which will result from prospective rises in the wage scale of the latter, can be appreciated.

Johnston, Lemon 40th Anniversary

WASHINGTON, D. C.—Johnston, Lemon & Co. is now celebrating its 40th anniversary.

The firm was originally established as Irving & Johnston, and its first office was one room in an office building at 15th and H Sts. Now located in the Southern Bldg. on 15th St., the firm has a staff of more than 100. Since its inception, the firm has participated in the initial public offering of thousands of new issues of national corporations.

It holds membership on the Philadelphia-Baltimore Stock Exchange and its Washington Stock Exchange Branch, and associate memberships on the Pittsburgh and Boston Exchanges. It is also part of a national network of independent investment firms connected by the nation-wide private wire system of its New York correspondent, Carl M. Loeb, Rhoades & Co.

Partners of the firm are James M. Johnston, James H. Lemon, Bernard J. Nees, Harvey B. Gram, Jr., Donald Childress, Ralph S. Richard, and Stanley R. Durkee.

With Federman Stonehill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Jack H. Scroggy has been added to the staff of Federman Stonehill & Co., 9025 Wilshire Boulevard. He was formerly with John M. Flynn & Co.

Targets and Goals

By John W. Remington,* *Retiring President of the American Bankers Association and President, Lincoln Rochester Trust Co., Rochester, N. Y.*

Stepping down as ABA President, Mr. Remington charges the bankers' organization with the pursuit of these objectives: one, a free, dynamic, soundly growing economy; two, a reasonable Federal income tax on mutual banks; and, three, new ways and methods to carry out banking's responsibilities for the entire populace.

The outlook for American banking is a bright one. Two years of travel as a representative of the American Bankers Association have given me the opportunity to meet bankers in many states. They are progressive leaders who have a deep sense of responsibility for maintaining strong banks and for aiding our country in its effort to keep our economy dynamic and our dollar sound.

John W. Remington

Thank you for the privilege of serving as your president. Margaret Remington and I have enjoyed renewing old friendships and making many new friends as we have traveled across this wonderful country in which we enjoy true freedom so fully.

We wish only that we had been able to visit each of our 50 states as we were so deeply impressed by the quality of leadership we found at all state conventions and other bank meetings. Hundreds of men and women in this country are helping to build a sound banking structure by serving in various capacities in the work of state associations. I wish to commend particularly that splendid group of state secretaries or executive heads of state associations who, through careful planning and skillful execution, bring about better banking conditions and fuller sevice to the public in their respective parts of our country.

The hospitality shown by all of those we met on our journeys and their graciousness and thoughtfulness will not be forgotten. It was a rich experience for us to meet and observe people who are making banking a business of which we can be justly proud.

One needs to live through the experiences of a presidential year to realize the value of the assistance which is given by a willing, able staff of devoted people who are employed on a full-time basis by the American Bankers Association. I wish to acknowledge this help with appreciation for the quality of the work and the friendly and efficient manner in which it has been provided. There are always problems which create challenges. We have experienced our fair share this year. The loyal support of every one on our official staff has made this an extremely pleasant year for me.

The volunteers who serve on divisions, commissions, and committees of the ABA have given loyally of time and talent to carry on the important work of our Association. We are indebted to you for your valuable contributions. I have appreciated the support and help of Carl Bimson and am grateful to my own banking associates for their sympathetic and understanding assistance as I have tried to carry out the responsibilities of the office with which you honored me.

Reviews ABA's Accomplishments

It might be well to recount briefly some of the accomplishments of the Association this year before outlining a few of the goals which we must seek.

Our legislative record in the 86th Congress was an excellent one. Passage of the Bank Merger Bill and the F. D. I. C. Assessment Simplification Bill this spring following the earlier passage of the Reserve Requirement Act and the Brown bills amending the National Bank Act have been important to banking and already have brought about valuable results. Several bills which might have had an adverse effect upon banking were successfully opposed.

Our Association membership remains at high level. I wish to express appreciation to John deLaittre, immediate past president of the National Association of Mutual Savings Banks, and to the other bankers in that associa-

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Not Losing Sight of Our New Economic Horizons

By Hon. W. Randolph Burgess, United States Ambassador, North Atlantic Treaty Organization, Paris, France*

The indispensability of our participation in joint international action, the extent of which is outlined, and the fact that a large and increasing proportion of money spent this way comes back are stressed by Mr. Burgess in a reminder that we still are the free world's recognized leader. It's Mr. Burgess' view that our balance-of-payment problem stems largely from the impact of our fiscal, monetary, price and cost problems on our competitive position rather than from our government spending abroad. Strong indorsement is given to the deterrent effect of NATO, to the work of our international economic organizations in providing a liberal and convincing education in economic facts of life and in building a solid basis for resistance to insidious approaches of communism, and to the successor of OEEC, the New Organization for Economic Cooperation and Development, which includes the USA and Canada. Increased competition from Europe is seen providing increased trade volume and opportunities for American business.

We live today in a world where each morning seems to bring some new irruption or explosion upon the international scene. Almost every one of these could — if unchecked — spell disaster for the rest of us.

W. Randolph Burgess

Added to the political and military dangers is an economic threat. Bankers know how quickly a Peron or a Castro can destroy slowly and painstakingly built economic values, and they also know the cost of rebuilding in any country the base for a tolerable standard of living.

We are thus all vitally interested in diagnosing the causes of the strange malaise from which our world is now suffering, and in seaching out the possible cures.

For the diagnosis, let me suggest that the eruption in the Congo and its parallel in Cuba and elsewhere reflect two great explosive forces. One of these we may call explosion from within, due to natural forces such as: the blasting of old limitations of distance and communications; new rates of growth of population; certain pervasive social, political, and economic ideas. One of the most potent of these forces is the time-honored principle of freedom, for which America stands as a symbol; but it is often pursued blindly. Peoples have broken old patterns and allegiances and have formed new nations; and in some cases they have plunged themselves into chaotic disorder.

The other great force is external pressure from the East, where the communist powers have arisen not only with twisted ideas of man and his destiny, but with openly declared ambition to dominate the rest of the world. They back this up with mechanisms which could destroy the civilized world.

They would prefer to convert the old countries of the free world as well as these new nations by propaganda, by subversion, by economic inducements; but they do not exclude the use of force to conquer where they cannot convert.

All of this is alarming and challenging, for the future of humanity is at stake.

To meet this threat has called for new thinking, new institutions, and dedicated leadership.

The powers of the new science and the dreadful speed and force of military power have outgrown the old mechanisms and many of the established processes of governments. For example, we cannot ever again wait until war is upon us before we assemble and train our armies, and coordinate our plans with others. Any future war may—and probably will—be won or lost by the forces in being when the shooting starts.

New Dramatic Proof for International Action

Above all, we have found that no nation is strong enough to "go it alone," and we have therefore recognized the need for international associations to improve our understanding of each other and increase our ability to act together quickly.

In recent weeks there have been dramatic proofs of the necessity for joint international action. That was the only practicable way of dealing with the outburst in the Congo. No single country could take the responsibility alone without grave risk of war. But the United Nations could act with much less danger. If there had been no United Nations, some such organ would have to be created. This recent experience has, however, reemphasized the limitations along with the strong points of the United Nations.

Again in Cuba, it has been found essential to bring to bear on that perplexing problem the joint judgment of all the American states through the O. A. S. The weight of the combined public opinion of neighbor countries is a great influence; in fact, it is the best known substitute for armed intervention.

So we have developed from sheer necessity, as well as from more idealistic motives, a series of international organizations to deal with different problems, and they are proving their worth.

Defense

Let us take a brief look at some of them. First at NATO. It came into being 11 years ago for the protection of the Atlantic Community from the threat of Soviet aggression. This threat had been made vividly clear by the takeover of Czechoslovakia and the Berlin blockade in 1948.

The NATO Alliance has succeeded completely in its primary objective of preserving peace. It has done so by developing an effective military force, which it is ready to use at a moment's notice if any of the members are attacked. The combined power of the NATO partners is very great; the Alliance has provided a convincing deterrent against aggression. NATO has stopped the westward march of communism in Europe.

It should be noted also that this Alliance of 15 nations has proved invaluable for uses other than the purely military, particularly for consultation on the many puzzling and widespread problems of today: disarmament, Germany and Berlin, relations with the Soviets, Cyprus, as well as scientific and economic matters. This consultation means better mutual understanding and a lessening of conflicting interests, hence, much more effective action, both jointly and separately.

To hold 15 countries together in both action and spirit, where all votes must be unanimous, requires vision and elasticity on the part of the governments and sympathetic understanding on the part of the public of these countries.

It is noteworthy and encouraging that the torrents of threats and false accusations which the Soviets launch from time to time in the hope of splitting the Alliance asunder have had exactly the opposite effect; have, in fact, bound it more closely and firmly together.

Meantime, we and other members of the Alliance are constantly searching for every possible avenue to reach properly safeguarded agreements with the Soviet Union for reducing the arms race—thus far in vain, but we shall keep on trying.

Economic

The problem of preserving our western civilization and keeping the less developed countries from communism or chaos is far more than military, It is political, social, educational, and especially economic. Economic disorder in new countries is highly dangerous and invites the Soviet economic offensive to move in through a wide-open door.

To meet this challenge the United States has done much individually. But even more effective is what we and our western partners have done together through international cooperation.

Among the first and best of these agencies have been the International Bank for Reconstruction and Development and the International Monetary Fund, which now include in their membership more than 60 countries of the free world.

The World Bank has, during its nearly 15 years of existence, made loans—mostly medium and long term—of \$4.9 billion, of which \$620 million has been repaid. The International Monetary Fund has made advances of \$3.5 billion of which \$2.4 billion has been repaid.

THE TAX - EXEMPT BOND MARKET COLUMN APPEARS ON PAGE 10.

But these figures, important as they are, are by no means the entire achievement of these organizations. Behind every advance of money has been a thorough and continuing analysis of the economic problems of the borrower, and a mutual agreement on sound programs. These international institutions, with their international staffs, can give advice and make requirements which would be utterly unacceptable to the recipients if they came from any single country. The heart of the formula is mutual participation.

The countries which have worked together as partners in these institutions have received a liberal and convincing education in the economic facts of life and

Continued on page 28

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Airline Stocks—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Convertible Preferred Stocks.**

Automobile Industry — Trends—David L. Babson and Company, Inc., 89 Broad Street, Boston 10, Mass.

Banks and the Easing of Credit—Survey in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also in the same issue are reports on **Sun Chemical Corp., Bullocks, Inc., Endicott Johnson Corp., General Electric Company, Cryogenics.**

Banks Stocks and Monetary Policy—Discussion — Calvin Bullock, Ltd., 1 Wall Street, New York 5, N. Y.

Bank Stock Notes — Circular on leading New York City Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Bond and Money Market—Review—The First National Bank of Chicago, Dearborn, Monroe & Clark Streets, Chicago 90, Ill.

Bond Profit Opportunities—Bulletin—C. J. Devine & Co., 48 Wall Street, New York 5, N. Y.

Canadian Business — Survey—Bank of Nova Scotia, Toronto, Ont., Canada.

Canadian Business and Finance—Review — Equitable Securities Canada Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Canadian Consumer Credit—Review—Bank of Montreal, Montreal, Que., Canada.

Canadian Mortgage Rates—Bulletin—Tankoos & Co., 331 Madison Avenue, New York, N. Y.

Capital Market—Study—Mitchell, Hutchins & Co., 231 South La Salle Street, Chicago 4, Ill.

Consumer Credit — Study with particular reference to **Ritter Finance Company**—Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Convertible Debentures—Selected list — Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Spiegel, Inc., Piper Aircraft** and **the Steel Industry**, and a study of **the Bituminous Coal Industry.**

Department Store Stocks—Review—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Sekisui Chemical Co., Ltd.** and **Taisei Construction Co., Ltd.**

Japanese Stock Market — Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry, and Kirin Breweries.**

Mutual Fund Sales Aids — Bimonthly sales letter on mutual funds — Laird, Bissell & Meeds, Mutual Funds Dept., 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Selected Stocks—List of interesting issues — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Georgia.

Soft Drink Industry—Discussion—Dreyfus & Co., 2 Broadway, New York 5, N. Y.

Treasury Market — Report — Aubrey G. Lanston & Co., Inc., 20 Broad Street, New York 5, N. Y.

Utilities for Income and Growth—Bulletin—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Utility Common Stocks—Selected issues for investment — Bache & Co., 36 Wall Street, New York 5, N. Y.

* * *

American Viscose — Memorandum—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are memoranda on **Babcock & Wilcox**, and **Otis Elevator.**

Ampex Corporation — Review—Morgan Davis & Co., 63 Wall St., New York 5, N. Y. Also available are data on **Florida Power & Light**, a bulletin on **Tax Loss Trading** and a booklet on New York Stock Exchange Common Stocks which have paid cash dividends for 25 years or more.

Associated Dry Goods Corp.—Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Lily-Tulip Cup Corp.**

Bendix Corporation — Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Bestwall Gypsum Co.—Memorandum—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad St., Philadelphia 9, Pa.

Celanese—Data—Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa. Also available are data on **Rio Algom.**

Central Electric & Gas Company—Review — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Chrysler Corporation—Analysis—Robinson & Co., Inc., 15th and Chestnut Streets, Philadelphia 2, Pa.

Cluett, Peabody & Co. Inc.—Analysis — Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

Consolidated Edison — Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Dome Mines.**

Corn Products Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Crawford Corporation—Analysis—A. G. Becker & Co. Incorporated, 60 Broadway, New York 4, N. Y. Also available are memoranda on **W. R. Grace, Monsanto, Olin-Mathieson, Phillips,** and **Shell.**

Cutter Laboratories — Analysis — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Diamond National—Memorandum—Jas. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Electrical and Musical Industries Ltd.—Analysis—Abraham & Co., 120 Broadway, New York 5, N. Y.

Federal Bowling Centers, Inc.—Report—General Investing Corp., 55 Broadway, New York 6, N. Y.

General Drive-In Corporation — Analysis—Shearson, Hammill & Co., 14 Wall Street, New York 5, New York.

General Drive-In Corp.—Analysis—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available are data on **Cluett, Peabody & Co.** and **Bobbie Brooks, Inc.**

General Electronics, Inc. — Report—B. S. Lichtenstein & Company, 99 Wall St., New York 5, N. Y.

Gulf Life Insurance Company — Analysis—R. S. Dickson & Company, Inc., Wachovia Bank Building, Charlotte 2, N. C. Also available is an analysis of **North Carolina National Bank.**

Hercon Electronics—Review—Irving Weis & Co., 40 Exchange Place, New York 5, N. Y.

Hershey Chocolate—Memorandum—Blair & Co. Incorporated, 20 Broad Street, New York 5, N. Y.

Holly Sugar Corporation—Analysis — Auchincloss, Parker & Redpath, 1705 H Street, N. W., Washington 6, D. C.

Houston Corporation—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is an analysis of **Williams Brothers Company.**

Interchemical Corporation—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Interstate Bakeries Corporation—Analysis—Bateman, Eichler & Co., 453 South Spring Street, Los Angeles 13, Calif.

Jonathan Logan—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Kansas Gas & Electric Company—Bulletin — Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Lake Superior District Power Company—Report—A. C. Allyn & Co., 122 S. La Salle Street, Chicago 3, Ill. Also available is a report on **Upper Peninsula Power Company.**

Majestic Specialties, Inc.—Analysis—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **Garrett Corp.**

Medical Electronics — Memorandum—McDonnell & Co. Incorporated, 120 Broadway, New York 5, N. Y.

Metropolitan Broadcasting Corp.—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

G. C. Murphy Co.—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Kratter Corp.**

National Equipment Rental—Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Niagara Mohawk Power—Memorandum—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Patino of Canada — Analysis — Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

Pennsylvania Gas and Water Company — Analysis — Chace, Whiteside & Winslow, Inc., 24 Federal Street, Boston 10, Mass.

Peterson Electronics Die—Discussion — Stearns & Co., 72 Wall Street, New York 5, N. Y. Also available are data on **Brush Beryllium** and **Beryllium Corporation.**

Philips Lamp — Analysis — J. M. Dain & Co., Inc., 110 South Street, Minneapolis 2, Minn.

Puerto Rico Aqueduct and Sewer Authority — Descriptive booklet—Government Development Bank for Puerto Rico, 45 Wall St., New York 5, N. Y.

Red Owl Stores, Inc—Memorandum—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Rochester Gas & Electric—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Row, Peterson & Company — Report—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available are reviews of **Twin Disc Clutch Company** and **Chicago Musical Instrument Co.**

Southern Nitrogen Company—Analysis—The First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Sparton Corporation — Bulletin — De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Studebaker-Packard—Analysis—Batten & Co., 1835 K Street, N. W., Washington 6, D. C.

Sun Chemical Corporation—Analysis—Stanley Heller & Co., 44 Wall Street, New York 5, N. Y.

Tex Star Oil & Gas — Memorandum—Ross & Hirsch, 120 Broadway, New York 5, N. Y.

Union Bag Camp Paper Corp.—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **New York City Bank Stocks.**

United Improvement & Investing—Memorandum—Ross & Hirsch, 350 Madison Avenue, New York 17, N. Y.

U. S. Borax — Memorandum — Hardy & Co., 30 Broad Street, New York 4, N. Y.

Universal Match—Analysis—Cooley & Company, 100 Pearl Street, Hartford 4, Conn.

West Penn Electric — Memorandum—Laidlaw & Co., 25 Broad Street, New York 4, N. Y.

Wilbur Chocolate Co.—Analysis—Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pennsylvania.

COMING EVENTS

IN INVESTMENT FIELD

Oct. 4, 1960 (Detroit, Mich.)
Bond Club of Detroit Annual Fall Outing at the Lochmoor Country Club, Grosse Pointe Woods, Mich.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.

Oct. 6, 1960 (Chicago, Ill.)
Investment Analysts Society of Chicago annual outing at the Itasca Country Club.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

A modest upturn in business, though largely of seasonal proportions—centering in autos, steel, and retail sales — is likely over the rest of 1960, according to the United Business Service of Boston in its just-released Fall-Winter Outlook Report. Despite the disappointing performance so far this year, the United Business Service states that the general caution, which has prevented serious excesses, is laying the basis for future expansion rather than being the prelude to a major recession. For one thing, the ratio of business inventories to sales is lower than in the months immediately preceding each of the postwar recessions.

Bolstered by record personal income, fourth quarter retail sales —including Christmas trade—are expected to show a moderate gain over the previous record 1959 levels. Easier credit conditions will be helpful for business, and a turn toward some inventory building seems probable later this year. Prices in general are expected to show little change, though a few industrial items may edge up while farm products show seasonal weakness.

Other basic lifting forces will be a sizable increase in defense orders as compared to second quarter 1960 levels—and a continued uptrend in state and local expenditures. Expanding U. S. exports, which promise to top 1959 by at least $3 billion, are also a "plus" factor. Most favorable factor, however, will be continued high consumer spending which has already risen by $10 billion annually so far this year.

Even though short of earlier rosy expectations, total 1960 corporate profits should match the record $23.8 billion in 1959, the United Business Service predicts.

Bank Clearings for Week Ending Sept. 24, 22.2% Above Corresponding 1959 Week

Bank Clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 24, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 22.2% above those of the corresponding week last year. Our preliminary totals stand at $30,835,369,252 against $25,233,641,876 for the same week in 1959. At this center there is a gain for the week ending Friday of 33.8%. Our comparative summary for the leading money centers follows:

Week End. Sept. 24—	1960 (000s omitted)	1959 (000s omitted)	%
New York	$16,812,488	$12,564,390	+33.8
Chicago	1,345,525	1,182,621	+13.8
Philadelphia	1,540,000	1,133,000	+ 3.6
Boston	884,252	798,221	+10.8

Cumulative Auto Production Totaled 5,625,413 Passenger Cars

Motor vehicle production in the U. S. last week totaled 106,553 units, the Automobile Manufacturers Association reported.

The week's output included 86,178 passenger cars and 20,375 trucks and motor coaches. During the previous week 52,795 cars and 13,046 trucks and buses were produced, the AMA said.

Cumulative production in 1960 through Sept. 17 was 5,625,413 units, incluuding 4,714,483 passenger cars, 908,020 trucks and 2,910 motor coaches. In the same period last year, 5,053,524 vehicles were produced—4,183,717 cars, 868,014 trucks and 1,793 buses.

Steel Market Viewed As Having a Better Tone

A slight improvement in orders and a growing conviction that inventory liquidation is finally cleaned up combine to give the steel market a better tone, *The Iron Age* reports.

But, the magazine cautions, there is little visible relief and any improvement in steel operating rate will be gradual and probable less than seasonal.

The average operating rate for the fourth quarter now looks no better than 57 to 59 per cent of capacity. It may reach 65 at the high point, but then return to the 50's, the magazine predicts.

This will bring the total steel tonnage for the year to less than 105 million tons, a far cry from the 127 to 130 million tons freely predicted last January, and well below the all-time record of 117 million tons set in 1955.

The national metalworking weekly reports conflicting theories exist on inventory levels. Market analysts argue that nearly 5 million tons of steel have been taken out of inventory in June, July, and August, with liquidation continuing through September.

This means users will go into October with no more steel than they had at the start of the year, and that the post-strike buildup has been entirely slashed. To support this, one major producer reports that from 25 to 30% of its orders are shipped in the month they were placed.

On the other hand, some of the major users have adequate inventories, and no upsurge in buying can be expected from them. These include the automakers who are buying with 45 days lead time (normal); and appliance makers who are loaded with steel and, to make it worse, inventories of finished products.

The cutbacks in Chrysler output hit the automotive steel market hard, but in varying degrees, according to the company. In effect, Chrysler is setting back three-fifths of October orders into November and cancelling another fifth. This makes October deliveries to the company only one-fifth of steel originally planned.

This Week's Steel Output Based On 54.2% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *96.2% of steel capacity for the week, beginning Sept. 26, equivalent to 1,545,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of 96.3% and 1,547,000 tons in the week beginning Sept. 19.

Actual output for last week beginning Sept. 19, was equal to 54.3% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 54.2%.

A month ago the operating rate (based on 1947-49 weekly production) was *92.3% and production 1,483,000 tons. A year ago the actual weekly production was placed at 362,000 tons, or *22.5%. At that time the industry was virtually closed down due to a strike of the steel union.

*Index of production is based on average weekly production for 1947-49.

Ward's Predicts an Auto Industry Upsurge Next Week

Ward's Automotive Reports said September auto output will run behind schedule, perhaps attaining a welcomed 92% of forecast volume. Record auto stocks for Oct. 1 are in prospect.

The statistical service attributed the deficit to new model "teething" problems and estimated 415,000 completions for the entire month, still 60% above last year and the best September since 1955.

Ward's predicted the deficit in the face of a 33% production gain to an 11-week-high of 114,175 cars this week from 85,879 last week in U. S. plants.

It forecast another industry upsurge for next week principally due to growing production momentum at General Motors Corp.

Ward's estimated GM Corp. car output at 42,300 units this week compared with 21,073 last week, returning the company to production leadership in the recently launched '61 model year.

Ford Motor Co. output of 29,600 cars this week increased 34.7% *Ward's* said, while Chrysler Corp. with 21,300 was up by 18.7% and American Motors and Studebaker-Packard Corp. showed smaller gains.

The reporting service said six-day work weeks are not yet general in the auto industry despite the nearness of '61 model dealer introduction dates. It pin-pointed Saturday car building this week at standard-size. Ford factories plus compact Falcon and Comet assembly plants and the St. Louis Mercury factory.

Also on six days but temporarily cut to two-shift operations this week from three shifts last week was American Motors in Wisconsin. New model production problems are blamed.

"Ward's" said General Motors dealers face their steadiest new model production sampling in several years, GM car output having been completely halted by mid-November last week due to the steel strike and by mid-October the year previous due to labor disputes.

Freight Car Loadings for Sept. 17 Week Totaling 598.716 Cars was 3.7% Above the 1959 Record For Corresponding 1959 Period

Loading of revenue freight for the week ended Sept. 17, 1960, totaled 598,716 cars, the Association of American Railroads announced. This was an increase of 21,259 cars or 3.7% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, but a decrease of 69,044 cars or 10.3% below the corresponding week in 1958.

Loadings in the week of Sept. 17 were 117,659 cars or 24.5% above the preceding holiday week. Some of this increase was due to the resumption of operations on the Pennsylvania and Grand Trunk

Continued on page 33

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The State and Municipal bond market has been easier during the past week. Although the bidding for new issues has been aggressive and at times very competitive, the general market level has been off slightly from the highs developed a few weeks ago. The *Commercial and Financial Chronicle's* high grade tax exempt bond yield average now stands at 3.273%; the average a week ago was 3.242%. This would indicate that, in terms of dollars, the market has eased an average of ⅜s of a point.

Since this yield index is derived through actual secondary market offerings rather than through an average of new issue offerings, it reflects some actual inventory price cutting. However, there would appear to be no general market weakness in the sense that a bearish tendency is developing; rather it would appear that inactivity has caused dealers to do some price adjusting more through frustration than through conviction that the market is tending downward.

Adverse Buying Factors

There are certain factors that have definitely kept important buying from developing during September. One of these is the upsetting stock market. The sell-off in stocks has been particularly distracting to large individual investors seriously interested not only in stocks but also in tax exempt securities. The forthcoming Presidential election, and the current campaigning, is also disturbing to both individual and institutional investors. The political demands for easier money do not easily jibe with the fact of higher foreign money rates and our serious losses of gold.

Moreover, the advance Treasury refunding, although a progressive fiscal step, was none the less disturbing to the general bond market. Since the announcement of the refunding plan, the bond market has been quiet and at times hesistant, even though there have been developments conducive to ease within the money market itself that ordinarily would readily encourage higher bond prices.

The $3.4 billion of long term debt added to the float of long term bonds was undoubtedly a negative market factor overlooked by many professionals. However, the impact has been of no serious proportion and it may already be discounted as a continuing factor.

A Trendless Market

On Tuesday, the Treasury bill market turned relatively strong with the announcement that the 13 week bill rate fell to an average of 2.286%, down from 2.434% the week previous. The 26 week average yield fell to 2.729% as against 2.743%. Free reserves continue to be above $500,000,000 and, at that average level, would appear in a general way to forecast a continuing money market ease.

Moreover, banks report that their loans to business are not so far showing the usual increase that normally develops at this time of year. However, the current drain of funds to a financially healthier Europe poses a money market problem that involves the entire economy and present reliance on easier money may lead to serious economic problems. The confusion of financial elements suggests a trendless day-to-day bond market.

Recent Awards

On Tuesday, September 27, several sizable and interesting new issues were bid for. The largest offering totaled $21,200,000 of various purpose Detroit, Michigan bonds. The $13,000,000 of general obligation and school district issues were awarded to a group including The Bankers Trust Co., The Northern Trust Co., The Chase Manhattan Bank, Smith, Barney & Co., Lehman Brothers, and others. Yields for these bonds range from 2.20% to 4.00% depending on maturity and coupon. Long term 1½% bonds were offered to yield 4.40%. A syndicate headed by Halsey, Stuart & Co., Chemical Bank New York Trust Co., and Drexel & Co. was the successful bidder for $2,700,000 highway general obligation bonds. The $5,500,000 Detroit, Michigan water revenue bonds were awarded to the group headed by Halsey, Stuart & Co., First of Michigan Corp., Kidder, Peabody & Co., and White, Weld & Co. The bonds were priced to yield from 2.50% to 3.85%. The Detroit, Michigan water revenue bonds are particularly well regarded and a good investor reception was assured. All issues have been better than half sold.

Also on Tuesday, the City of Cleveland. Ohio awarded two issues totaling $7,000,000 of serial bonds. The total comprised $5,000,000 water works revenue bonds and $2,000,000 electric revenue bonds, the former maturing 1966-1987 and the latter 1966-1980. The water revenue issue was priced to yield from 2.80% to 3.75% and the electric revenue bonds were priced to yield from 2.60% to 3.45%.

The successful group in each instance was headed by Harriman Ripley & Co., Smith, Barney & Co., Glore, Forgan & Co., Goldman, Sachs & Co., Alex Brown & Sons, Weeden & Co., and others. These well secured issues met with an immediately favorable reception with a sellout indicated on initial offering.

Also on Tuesday, Wallingford, Connecticut, a highly rated credit awarded $1,150,000 serial general obligation (1961-1980) bonds to a group headed by Halsey, Stuart & Co. and including White, Weld & Co., B. J. Van Ingen & Co., Inc., Hornblower & Weeks, and George B. Gibbons & Co. The group priced the bonds to yield from 1.70% to 3.40%. September 28's balance is about $900,000.

An interesting West Coast credit was also up for sale on Tuesday. $4,000,000 Northeast Sacramento County, California serial general obligation (1965-1994) bonds were awarded to a group headed by Schwabacher & Co., John Nuveen & Co., Securities First National Bank, Los Angeles, William R. Staats & Co. and others. This good grade yet high yielding issue was bid for by several groups in keen competition. The reoffering was well received with well over half the issue subscribed for.

On Wednesday, September 28, the State of Louisiana awarded $15,000,000 general obligation serial bonds (1961-1984) to the group headed by Blyth & Co., Lehman Brothers, First Boston Corp., Equitable Securities, and including many southern bond specialists. The issue was scaled to yield from 1.70% to 3.85%. Considerable investor interest is anticipated.

The Week's Big One

As we prepare to go to press the State of California has awarded $75,000,000 various purpose general obligation (1962-1986) bonds to the consolidated group headed by the Bank of America and Bankers Trust Co. The bonds are priced to yield from 2.00% to 3.92%. This large flotation must be quickly placed with investors in order that the market may not be further cluttered with a large volume of undistributed inventory. A favorable investor reception is anticipated. The credit of this dynamic State is considered excellent, but the persistence of its necessarily large bond issues results in higher than average yields for the tax-exempt bond investor.

Dollar Bonds Steady

The dollar quoted turnpike revenue bonds continue to do a little better than the general market for tax-exempt securities. On September 22, the *Smith, Barney & Company Turnpike Yield Index* was 3.82%. This average was little changed from the previous week when it stood at 3.84%. Turnpike revenue reports continue to be complementary.

Inventory Rising

The *Blue List* total of state and municipal bonds has progressively increased. The total is currently reported at $424,187,000; a week ago the total was $390,436,000; on August 17, it was but $204,180,000. The high for the year was reached in mid July, when the aggregate was around $450,000,000. The new issue calendar totaled more than $450 million a few days ago. With the advent of the California, Louisiana and other sales on Tuesday and Wednesday, the schedule is now down to little more than $325 million. There have been no important negotiated type issue announcements during the past week.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.65%
Connecticut (State)	3¾%	1980-1982	3.25%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.20%	3.10%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.85%
Vermont (State)	3⅛%	1978-1979	3.10%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.25%	3.15%
Los Angeles, Calif.	3¾%	1978-1980	3.80%	3.65%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.25%	3.15%
New Orleans, La.	3¼%	1979	3.60%	3.45%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.70%	3.60%

September 28, 1960 Index=3.273%

To Address N. Y. IBA Group

Sir Oliver Franks, former British Ambassador to the United States, will be the guest of honor at the Annual Dinner of the New York Group, Investment Bankers Association of America on Wednesday, Oct. 5, in the Grand Ballroom of the Waldorf-Astoria Hotel.

Sir Oliver Franks **James J. Lee**

Sir Oliver, currently Board Chairman of Lloyds Bank Limited of London, will talk on "The Policy of the Atlantic Community towards the Developing Peoples." The other principal speaker will be James J. Lee, President of the Investment Bankers Association of America and a partner in W. E. Hutton & Co.

They will be introduced by Edward Glassmeyer, President of the New York IBA Group, who is Vice-President of Blyth & Co., Inc.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

Sept. 29 (Thursday)

Austin, Texas	5,000,000	1962-1986	10:00 a.m.
California Toll Bridge Auth., Cal.	7,000,000	2000	11:00 a.m.
Cleveland Heights, Ohio	1,000,000	1962-1976	Noon
Fairbanks, Alaska	1,500,000	1961-1980	2:00 p.m.
Glastonbury, Connecticut	1,160,000	1961-1980	2:00 p.m.
Greenburgh Union Free School District No. 8, New York	3,600,000	1961-1990	2:00 p.m.
Mount Horeb, Etc. Union High Sch. District, Wisconsin	1,050,000	1961-1980	7:30 p.m.
New Scotland, Guilderland & Berne Central School Dist. No. 3, N. Y.	1,375,000	1961-1987	3:00 p.m.
Plaquemines Parish, La.	2,500,000	1961-1980	11:00 a.m.
Randolph Twp., New Jersey	2,100,000	1961-1980	8:00 p.m.

Oct. 3 (Monday)

*Kentucky Turnpike Authority, Ky.	55,000,000	2000	-------
Waverly School District, Michigan	3,200,000	1963-1990	8:00 p.m.

*Negotiated sale to be underwritten by a syndicate managed by Allen & Co.

Oct. 4 (Tuesday)

Clifton, New Jersey	2,000,000	1961-1980	8:00 p.m.
Cumberland County, No. Carolina	2,000,000	1962-1981	11:00 a.m.
Lakeview School District, Mich.	1,775,000	1961-1989	8:00 p.m.
Linden, New Jersey	3,836,000	1961-1985	11:00 a.m.
Lubbock Indep. Sch. Dist., Texas	2,250,000	-------	3:00 p.m.
Summit County, Ohio	1,800,000	1962-1981	Noon

Oct. 5 (Wednesday)

Alameda Co. Water District No. 1, California	1,870,000	1970-1984	7:45 p.m.
Gloucester City School Dist., N. J.	1,885,000	1961-1983	8:00 p.m.
Hawaii County, Hawaii	2,500,000	1963-1982	2:30 p.m.
Lee County, Florida	2,000,000	1962-1980	10:00 a.m.
Orleans Parish School Board, La.	10,000,000	1961-2000	10:00 a.m.
Oyster Bay Union Free School District No. 23, New York	5,795,000	1961-1990	2:00 p.m.
Washoe Co., Nevada	2,500,000	1962-1990	9:00 a.m.

Oct. 6 (Thursday)

Des Moines Independent Community School District, Iowa	3,000,000	1961-1980	10:00 a.m.
Fond du Lac, Wisconsin	1,600,000	1961-1980	11:00 a.m.
Granby, Massachusetts	1,500,000	1961-1980	10:00 a.m.
Greenville, Texas	3,000,000	1967-1990	10:00 a.m.

Oct. 10 (Monday)

Caldwell-West Caldwell School District, New Jersey	2,615,000	1962-1988	8:00 p.m.
Clark County, Vancouver School District No. 37, Washington	3,000,000	1962-1975	2:30 p.m.
Massachusetts	69,500,000	1961-2009	Noon
Michigan College of Mining & Technology, Michigan	1,400,000	1962-1999	11:00 a.m.
Middlesex County, New Jersey	2,000,000	1961-1975	11:00 a.m.
Port of Portland, Oregon	2,000,000	1961-1980	10:00 a.m.

Oct. 11 (Tuesday)

Avon Lake Local Sch. Dist., Ohio	1,000,000	1962-1981	1:00 p.m.
Newark, New Jersey	6,920,000	1961-1980	Noon
St. Charles Parish School District No. 1, Louisiana	1,000,000	1963-1985	7:00 p.m.
Scottsboro Waterworks, Sewer & Gas Board, Alabama	1,300,000	1964-1993	10:00 a.m.

Oct. 12 (Wednesday)

Douglas County, Roseburg School District No. 4, Oregon	1,135,000	1964-1978	8:00 p.m.

Oct. 13 (Thursday)

Frankfort, Indiana	2,500,000	1964-1981	1:00 p.m.
Wayne County, Michigan	2,500,000	1963-1984	11:00 a.m.

Oct. 17 (Monday)

Dallas, Texas	4,000,000	1961-1980	1:45 p.m.
Fort Stockton Ind. Sch. Dist., Texas	1,050,000	-------	-------

Oct. 18 (Tuesday)

Clark County, Nevada	2,000,000		
Dade County, Florida	46,000,000	1961-1990	11:00 a.m.
Glendale Unified Sch. Dist., Calif.	3,000,000	1961-1980	9:00 a.m.
Greensboro, North Carolina	2,860,000	-------	-------
Los Angeles Co. Flood Control District, California	10,000,000		9:00 a.m.
Utica, New York	1,500,000	1961-1975	Noon

Oct. 19 (Wednesday)

Pennsylvania State Public School Building Authority, Pa.	21,300,000	1961-2000	Noon
San Jose, California	4,000,000		11:00 a.m.

Oct. 20 (Thursday)

New Orleans, Louisiana	9,600,000	1962-1985	10:00 a.m.

Oct. 25 (Tuesday)

Vineland, New Jersey	4,200,000	1961-1980	Noon

Movie Stocks and Their Feature Attraction

By Dr. Ira U. Cobleigh, Enterprise Economist

Outlining some of the trends among picture shares pointing to higher earnings and potentials for capital gain.

Nobody has been tagging movie shares as romance issues or glamor stocks in recent times. Their last big market surge was in 1946 when 90 million people a week went to the movies (against about 45 million today) and just before TV began to work its dramatic change in the entertainment preferences of the American public. Hundreds of motion picture theatres have closed their doors or been converted to other uses, and virtually the only expansion in playhouse capacity has been in drive-in movies. The low cost "B" picture, which used to be the backbone of the business, has bit the dust. You can see all of them you want for nothing on TV. Only the "blockbusters" are worth producing these days; if the picture isn't super-colossal people won't stir from their living room armchairs to see it. But if its a real click it can pay off handsomely. "The Ten Commandments" cost Paramount $14 million but has already grossed almost $50 million: "Ben Hur," the sensational M-G-M success, perhaps the greatest success of all time, cost $15.3 million, and Universal International is betting $12 million in production costs on "Spartacus." The "big" pictures can be big earners, but a "turkey" can lose millions in a hurry.

A Brighter Picture

From the above you'd hardly find any basis for enthusiasm for movie shares. But there's a brighter side and a broader screen to their activities. First, attendance, which has been in a downtrend for a decade, has started to pick up this year. Second, the increases in admission prices have just about offset, in gross dollar income, the fall-off in attendance. Third, the producing companies have struck rich windfalls in the sale or lease of pre-1949 pictures to TV, and they are now (led by Warner Bros.) arranging sale of post-1948 film libraries. Fourth, some are actually in production, or allowing use of their studios, for shooting films for TV. And finally, other assets—real estate, oil or investments in electronics, recording or other related businesses—have been paying off handsomely, mostly in capital gains, taxable at only 25%.

So it is that movie shares, long unpopular or neglected in the market, are now attracting the attention of knowledgeable analysts and investors. These constant searchers for undervalued equities are now finding, in the motion picture group, quite sensible price/earnings market appraisals, a number of "side assets" and hidden values which may swiftly be converted into cash, and substantial price discounts from solid book values. Further, in the fluttery markets we're now having, certain movie shares offer a unique defensive or stabilizing factor, namely, company purchase (and cancellation) of its own shares. This, of course, reduces the floating supply of stock, strengthens market prices, and tends to maintain per-share earnings even though total net earnings may be declining. As an instance, Paramount had 3,300,000 common shares outstanding in 1950 as against 1,700,000 today. This sort of financial osmosis permits a stock to pick itself up by its own boot straps, as it were, and in declining markets it's a bit reassuring to know that a company has the resources, and the disposition, to be a steady buyer of its own shares.

One final word before we look at a few representative issues. Motion picture management is a lot better than it used to be. In the more flamboyant old days studio money was splashed around quite carelessly. Nowadays the decision-makers in the industry are extremely cost-conscious and the tinsel and the mink-lined limousines have been pretty well screened out of operating budgets.

Paramount Pictures Corp.

Paramount Pictures, a famous name in feature productions, is now a quite diversified enterprise. While motion picture production is still its major activity, Paramount is ready, if subscription television catches on, with a closed circuit system provided by its owned subsidiary, International Telemeter Corp. It has also major share holdings in two extremely successful companies, Ampex Corp. and Fairchild Camera and Instrument Corp. These holdings alone have a market value equal to over $10 for each share of Paramount. There are two other wholly owned subsidiaries, Autometric Corp., engaged in data processing, and Chromatic Television Laboratories, Inc., specialist in color television tubes.

In the sale of old pictures Paramount made a rewarding deal. For its pre-1949 film library Paramount made a sales agreement with MCA Inc., under which they will receive a minimum of $2 million a year for over 10 years plus a share in contingent profits. The 1960 "take" under this contract should exceed $2 a share after taxes (figured as capital gains). For the future, Paramount has an uncommitted library of post-1948 films with an estimated value of over $50 million.

Paramount common should, in 1960, show some improvement over 1959 per share results of $4.47. The $2 dividend is well protected and Paramount at 56 yields 3½%. Paramount presents profit and capital gains potentials from a number of sources, while it continues to produce excellent pictures.

Twentieth Century-Fox Film Corp.

Twentieth Century-Fox earned only $1.78 per share last year and lost money from motion picture operations during the first six months of this year. Other income and realization on assets brighten the picture here, however. Over $5.3 million will be received in 1960 from proceeds of sale and lease agreements covering pre-1949 films. The company has already begun leasing its post-1949 films. There are 400 of these worth at least $60 million, of which 26 have now been leased. Then in October, stockholders will be asked to approve sale of the company's 265-acre studio property in Los Angeles under a lease-back agreement and reserving the oil and gas rights. This sale will result in a total cash payment this year of over $46 million. With these funds Twentieth Century-Fox may buy in some of its own stock or make diversified investments in other areas which may bring new dimensions to the company's future earning power. The common has paid a $1.60 dividend since 1954 and sells today at 38½. There is $31.7 million of funded debt ahead of the common.

Metro-Goldwyn-Mayer, Inc.

Metro-Goldwyn-Mayer is the world's leading picture producer and has the biggest property in the business going for it right now —"Ben Hur." Formed to divorce picture production from theater ownership in the original Loew's, Inc., Metro has retained ownership of 49 theatres in major cities abroad (Loew's retained all the domestic ones). Pre-1948 film leases are bringing in around $10 million a year, and there are some 400 later films, worth at least $25 million, not yet contracted for. For the next fiscal year, ending Aug. 31, 1961, we would project a per share net of $4.75, suggesting that present 40c quarterly dividend might be further increased. Stock sells at 36.

United Artists

United Artists goes at the business differently. It distributes and finances pictures which others produce. It also has sizable assets in the 1,000 feature films and 1,900 cartoons and shorts produced by Warner Bros. before 1950 (these are owned by a subsidiary, United Artists Associated). It also has rights, without time limit, covering 700 pre-1950 RKO films. It also owns Ziv Television Programs, Inc. Featured pictures under distribution by United Artists include "Exodus" and "Advise and Consent." Nineteen-hundred and sixty earnings shohuld run above $2.50 per share. There is a 5.3% return on the common (with a $1.60 dividend) at 30.

Others we didn't have time to cover include Columbia, Decca, Universal and Warner Bros. Paramount is by far the most diversified.

While movie stocks have not been favored by investment companies, some of them (the movie stocks) have been in good recent demand among perceptive individual investors who like a combination of good yield, assets with near-by cash value, defensive qualities plus an attractive outlook for gain over time.

Prof. Glenn Saxon Dir. of Futures, Inc.

O. Glenn Saxon, Professor of Economics at Yale, has been elected to the Board of Directors of the commodity mutual fund, Futures, Inc., it was announced by Richard D. Donchian, President of the fund.

O. Glenn Saxon

Dr. Saxon served as Director of Economic Research for the Republican Party from 1936 to 1940. He was Commissioner of Finance and Control for the State of Connecticut in 1939 and was President of the Pennsylvania Economy League from 1942 to 1946.

In the field of commodities Dr. Saxon is well known. He was at one time Vice-President of Washington Dean Co., active dealers in commodities, and was a charter member of the New York Rubber Exchange, now the Commodity Exchange, Inc. He is co-author with Julius Baer of an authoritative book on commodities "Commodity Exchanges and Futures Markets." During the past several years he has taught a course in commodities at Yale.

Now With Birr & Co.

(Special to The Financial Chronicle)

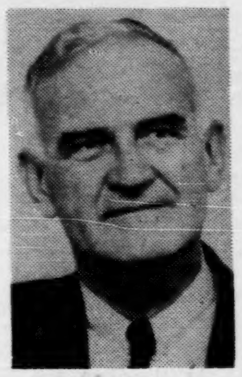
SAN FRANCISCO, Calif.—Gordon R. Beath has become associated with Birr & Co., Inc., 155 Sansome Street, members of the Pacific Coast Stock Exchange. Mr. Beath was formerly with Walston & Co. Inc., and Hooker & Fay.

The Inter-American Development Bank

By Robert Cutler,* *United States Executive Director, the Inter-American Development Bank*

Why is there a new Latin American-United States bank when there already are four international and four U. S. governmental agencies to provide foreign financing? This is the question Mr. Cutler raises and answers. In addition, the former banker and national defense security aide to President Eisenhower, provides highlights of this newest international lending institution, which will open for business on Oct. 1; places stress on the objective of attracting private capital by making sound loans; and explains the unique capitalization structure of the bank.

When I appeared before the American Bankers Association in 1955, I had just retired as Special Assistant to President Eisenhower for National Security Affairs and was back in circulation as chairman of a well known Boston trust company. I then spoke on national security policy — that the survival of America in the Free World would depend not only on a strong and sound posture of military defense but equally upon a strong and sound national economy based upon the free enterprise system.



Robert Cutler

Now I occupy quite a different role. But, people who live on Beacon Hill being impervious to change, I bring the same message of the need for soundness — this time in the financial operations of this newly born international bank. In my bank, Spanish, Portuguese and French are spoken fluently and "rapidamente" and English with an exotic nuance. In Spanish, they would say it this way: "La operacion bancaria debe ser sana (healthy) y solida (sound)."

There's a good deal of talk these days about "bold new programs." The most effective programs I know of are those basic principles which have built up our American banking system to what it is today.

The new Inter-American Bank, open for business Oct. 1, was designed by its charter (which was last year agreed to by the United States and 19 member Latin American republics) to be a sound bank, resting on a multi-lateral and co-operative base. We intend to operate it as a sound bank, exercising also a charter function which is novel for a bank: providing technical assistance to prospective borrowers in formulating plans, projects and applications for loans.

It is our belief that the economies of the Latin American countries are going to continue to grow and that their capacities to borrow, to service loans, and to repay will likewise continue to grow. The Inter-American Development Bank, by making sound loans, by attracting private capital, by buttressing its faith in our hemisphere through a capable, effective operating performance, can play a significant part in accelerating the process of economic development and in fortifying the peoples of Latin America.

Reasons for New Bank

You may ask why, there being already four international and four U. S. governmental agencies which deal with foreign financing, we need a Latin American bank in addition. There are substantial reasons.

The United States and the Latin American republics are neighbors on the same street. In peace and in war, this quality of neighborliness has been demonstrated. Our trade relations are ancient and of prime consequence to each. A Latin American multilateral bank, with United States participation, would recognize the special political and economic relations of the republics of the hemisphere and the desirability of providing special arrangements to facilitate mutual economic co-operation.

It was quite natural for the Latin American countries to hope that in a bank, comprised only of the members of the Organization of American States, their development needs would receive a sympathetic hearing. It was quite natural for them also to hope that such a new institution would provide additional resources for lending. It is the intention of our government, in joining the bank, to help fulfill these hopes.

We live in extraordinary times, times when the underdeveloped giant is stirring from his long lethargy to seek in a few years what it took the developed countries many generations to accomplish. These peoples will not wait. There is a tempter at their elbows, enticing with false and betraying promises. The demands of the exploding populations to our South for economic and social development are immediate. A part of our burden in helping to sustain the Free World is to see to it that their aspirations are met, by the orderly process of evolution and not by the chaos of revolution.

Under Secretary of State Dillon, in his powerful speech at last week's Bogota conference, said: "We face an hour of danger." He added that "the great imperative of our times" is to assure that "the democracy, freedom and spiritual values that we in the Western Hemisphere hold so dear will (not) become the prey of tyrants and demogogues, aided and abetted by external forces which seek nothing less than to rule the world and to extinguish the light of freedom everywhere."

As a new element in meeting these challenges, the Inter-American Bank was born last February, with the purpose of accelerating the economic development of its Latin American member countries and of encouraging in every way the investment to that end of private capital.

Two-Fold Capital Resources

What capital resources will the bank have to start in business this fall?

The bank's structure is unusual, for it comprises two entirely distinct and separate parts: the bank's "Ordinary Banking Operations" and the "Fund for Special Operations."

The charter provides for their common administration and supervision by the officers and staff of the bank; but that the Fund shall be specifically segregated as to assets and its transactions separately financed, separately book-kept and separately accounted for.

The "Ordinary Banking Operations" will be financed from capital stock subscriptions by the 20 members (the amounts of which are specified in the charter), from the sales proceeds of bonds which may hereafter be issued by the bank, and through the use of loan repayments, surplus, etc. "Ordinary" loans and guaranties will be repayable in the currency loaned. In each and every sense, the conduct of the bank's "Ordinary Banking Operations" will conform to the highest standards of sound financial credit.

The "Fund for Special Operations" will be financed by quota contributions of the 20 members (also specified as to amount in the charter). The purpose of the "Fund" is to make loans on terms and conditions appropriate for dealing with "special circumstances arising in specific countries or with respect to specific projects." Thus, the "Fund" is the forerunner of the World Bank's proposed affiliate, the International Development Association. The "Fund" is flexibly designed to take account of the difficulties which some countries may have, by reason of scarcity of foreign exchange, to service dollar loans. Accordingly, loans by the "Fund" may be partially or wholly repayable in the currency of the borrower. But, apart from this element of flexibility, the charter makes applicable to the "Fund's" operations the same sound banking principles laid down for the guidance of the bank.

The total capital resources of the bank will be just under $1 billion — one eligible country (Cuba) not having yet become a member. (Hereafter, for simplicity, I shall use rounded figures.)

The paid-in capital stock (payable in three instalments of 20%, 40% and 40% over the next 25 months) amounts to $381 million, to be paid half in dollars and half in "national currencies." The Latin American share is $231 million; the U. S. share $150 million.

For the callable capital stock ($431 million), each member became fully obligated upon joining the bank. The callable shares constitute backing for future bonds to be issued by the bank. If and when called, they would be payable in gold, dollars or other currencies as required to discharge the bank's obligations as to which the call related. The Latin American share of the callable capital stock is $231 million and the United States' share is $200 million.

Now, let us look at the resources of the "Fund for Special Operations" ($146 million). Each member country is obligated to pay half its quota contribution in dollars and half in its national currency in two instalments within the next 13 months. Of the total quota contributions, the United States' share is $100 million and the Latin American share $46 million.

Thus, the total bank stock subscriptions and Special Fund contributions of the 19 Latin American member countries come to the equivalent of $509 million and of the United States, $450 million.

By Oct. 1 of this year, when the bank opens for business, it should have received, in first instalments to paid-in capital and to the "Special Fund," approximately $115 million in dollars and $35 million in "national currencies." We like to think it is prophetic of success that 12 countries have already paid in almost $110 million in dollars, plus substantial amounts of national currencies. We are, in fact, ready for business.

But the importance of these figures is not at all in their relative size, but rather in the fact that each member puts in a share according to its capability. Here is good neighborliness in action. The strength of a multi-lateral enterprise is that each participant subscribes a proportionate share. Therefore, each loan of the bank will involve the smallest stockholder's capital quite as much as that of the biggest stockholder. Twenty pairs of eyes will scrutinize the loan policies of our common undertaking. Such a joint effort is the right way to tackle the vast problem ahead.

Will Channel U. S. A. Aid

As a result of the Act of Bogota, agreed upon last week in Colombia, the Inter-American Development Bank—following appropriate Congressional action next year—should be the principal mechanism for channeling into the Latin American economy the new $500 million Inter-American Fund for Social Development.

Many will recall the vivid words of President Eisenhower last July, foretelling a new direction in United States policy toward Latin America, under which large sums of additional money will be provided in the years ahead for social development. The President said:

"I have in mind the opening of new areas of arable land for settlement and productive use. I have in mind better land utilization, within a system which provides opportunities for free, self-reliant men to own land, without violating the rights of others. I have in mind housing with emphasis, where appropriate, on individual ownership of small homes. And I have in mind other essential minimums for decent living in both urban and rural environments."

To buttress Latin America's need for accelerated economic development, these additional resources when appropriated will constructively help the underprivileged masses of mankind to work their way toward a better life.

Between now and the appropriating action by our Congress next year, our bank and the United States Government will be working out the terms, conditions and selective criteria under which the bank will lend these funds; and

the Latin American countries, with such technical assistance from the bank as they desire, will be formulating their respective projects, plans and loan requests.

Praises Caliber of the Directors

Let me say a word about the governors of the Inter-American Bank (one from each country) and its seven executive directors (the U. S. director appointed by the President; the six Latin American directors elected under a complex formula to assure a voice at the table for each member country).

They are men of distinction in their countries, present or former cabinet ministers and presidents of central banks, accustomed to high responsibilities in finance, banking and economy. Their qualities of mind, spirit and experience are evidence of the pride which the Latin American countries have taken in this new institution. These qualities have been a factor in choosing the bank as the mechanism to administer these new and additional resources for social development. These qualities, and the multilateral character of our bank, which insures that the voice of each member can be heard, give bright hope for a financial administration above political pressures and dedicated only to what is best for each and for all.

What is more, my colleagues on the board of directors are men of humor and wit, men you like to work with over long hours, men whose ability shines out in their sincerity of purpose. We Bostonians don't run into many Latin Americans on Beacon Hill. We certainly have been missing something.

Our president is Senor Felipe Herrera of Chile. Dr. Herrera is an experienced national and international banker; Minister of Finance of his country at 31; former general manager of Chile's Central Bank, and for two years an executive director of the International Monetary Fund and Chile's governor of the World Bank. Senor Herrera is a gifted man, broadly and soundly based in his principles, an understanding leader, and a most agreeable colleague.

*An address by Mr. Cutler before the second general session of the 86th Annual Convention of the American Bankers Association, New York City, Sept. 21, 1960.

Fortune Named by Harriman Ripley

The investment banking firm of Harriman Ripley & Co., Inc., 63 Wall Street, New York City, announced that William F. J. Fortune has been elected assistant treasurer. He became a member of the treasury department staff of the firm in September, 1959, prior to which he was with Prudential Insurance Co.

C. L. Lamar With Cady, Roberts

Cady, Roberts & Co., 488 Madison Ave., New York City, members of the New York Stock Exchange, announce that Clifford L. Lamar, Jr., has joined the firm as an investment adviser. Mr. Lamar comes to the firm from Lionel D. Edie & Co., Inc., investment counsellors, where he had been an institutional account manager since 1957. Prior to his connection with the Edie firm, he had been in the investment department of the Guaranty Trust Co.

Cleveland Analysts to Hear

CLEVELAND, Ohio—The Cleveland Society of Security Analysts will hold a meeting Oct. 5 at the Mid Day Club. M. S. Richards, Jr., President of Vick Chemical Co. will be guest speaker.

New York State Bankers Plan Invest. Seminar

The money market and its outlook will be the subject of the 11th Annual Investment Seminar to be held by the New York State Bankers Association at the Hotel Commodore in New York City on Sept. 30, 1960 it was announced by Seminar Director, Charles J. Simon, Partner, Salomon Bros. & Hutzler, New York City.

An estimated 800 bankers, investment men and corporation treasurers are expected to be on hand, coming from 14 states, Canada and Puerto Rico.

Albert C. Simmonds, Jr., President, New York State Bankers Association and Chairman, The Bank of New York will open the day-long meeting which will be devoted to an examination of the influences at work in the money market.

Speakers and subjects will include: Dr. Marcus Nadler, Professor of Finance, New York University — "The Money Market and Its Outlook." Dr. Jules I. Bogen, Professor of Finance, New York University — "Sources and Uses of Funds." Ralph F. Leach, Vice-President and Treasurer, Morgan Guaranty Trust Company of New York—"Reflections of a Portfolio Manager."

"Investments" will be the subject of a panel discussion which will bring together four outstanding authorities to answer questions on portfolio management and specific investment problems of the audience. Participants, in addition to Dr. Nadler as moderator will include: William W. Pevear, Vice-President, Irving Trust Company, New York City; Charles A. Agemian, Controller General, The Chase Manhattan Bank, New York City; James G. Wilson, Vice-President, The Connecticut Bank and Trust Company, Hartford, Conn.; Charles B. Eddy, Jr., Vice-President, Chemical Bank New York Trust Company, New York City.

Joins Blalack & Co. Staff

(Special to The Financial Chronicle)

SAN MARINO, Calif.—Joseph G. Hattersley has joined the staff of Blalack & Co., 2477 Huntington Drive.

F. W. Willey Heads The Bowdoin Alumni Fund

PHILADELPHIA, Pa.—Frederick W. Willey has been appointed Chairman of the 1960-'61 Alumni Fund of Bowdoin College. Mr. Willey is Vice-President of Stroud & Company, Incorporated, and General Manager of the firm's Pittsburgh office.

L. W. Colton Opens

(Special to The Financial Chronicle)

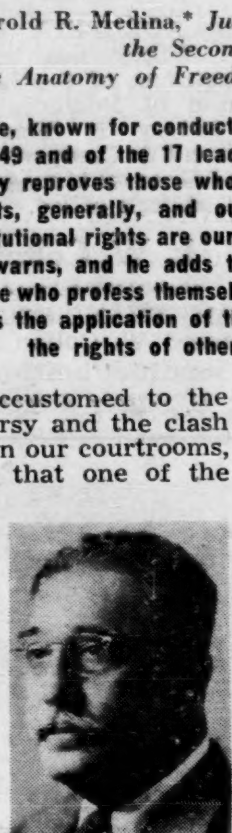
SAN FRANCISCO, Calif. — Lenard W. Colton is engaging in a securities business from offices at 41 Sutter Street.

Treasure the Bill of Rights In Theory and Practice

By Hon. Harold R. Medina, Judge in the Court of Appeals for the Second Circuit*
Author, The Anatomy of Freedom (Henry Holt & Co., 1959)

Eminent judge, known for conducting the trial of the 11 Communist leaders in 1949 and of the 17 leading investment banking houses in 1953, severely reproves those who favor taking short cuts with our Bill of Rights, generally, and our Fifth Amendment, particularly. These Constitutional rights are our "strongest weapon" against Communism, he warns, and he adds that the "supreme test of the sincerity of those who profess themselves to be devoted to the principles of freedom is the application of these principles when they concern the rights of others than ourselves."

The citizen is accustomed to the heat of controversy and the clash of personalities in our courtrooms, but few realize that one of the basic functions of a lawyer in our society is to preserve our freedoms. From the time we enter law school right on through our whole professional careers the zeal for justice and for freedom is fostered and with many of us this zeal becomes the principal motivation, the dynamics of our lives. When some of us are chosen for judicial office you may have noticed that we sit in our courtrooms with our nation's flag beside us, as a constant reminder of our duty to America to keep intact and free from erosion the spirit as well as the letter of the definition of individual and collective liberty set forth in the Constitution and especially in the first ten Amendments, known as the Bill of Rights. This is the first point I wish to emphasize today. By disposition and by training and experience American judges are dedicated to the safeguard of our Constitutional rights. And I say this not as a mere wordy tribute but with all the sincerity and candor at my command. This is one of the facts of American life. And without the sanction and actuality of the judgments of our courts those brave and inspiring words of the Bill of Rights would be no more than empty and meaningless phrases.



Harold R. Medina

Defends Fifth Amendment

This brings me to my second point. In these difficult, critical times with the air full of threats and blustering by Khrushchev and Castro and communist stooges in the Congo and elsewhere, to say nothing of the daily stories of bank robberies, kidnapings and other crimes of violence, there is the usual demand for quick action and this almost always means taking short cuts. And short cuts inevitably whittle away and water down our constitutional rights. There are those who would repeal the Fifth Amendment with its privilege against self incrimination. There are those who feel it is more important summarily to punish those who infringe our criminal laws than it is to preserve the provision of the Bill of Rights that forbids unreasonable searches and seizures. The basic elements of a fair trail guaranteed by the due process clause grow irksome to many who see nothing but delay if a lawyer is assigned to defend the accused, and he is given the protection afforded by a proper compliance with what are wrongly called the technicalities of the law. These are no mere technicalities, they constitute part of our basic freedoms, for the protection of all, the guilty as well as the innocent. What seem to be no more than unimportant matters of procedure are in fact fundamental principals of freedom formulated by those who submitted the Bill of Rights for ratification to the states on the twenty-fifth day of September so many years ago.

A firm and persevering adherence to these principles not only affords each of us the precious privilege of living as a free man or woman in a free country; it also constitutes our strongest weapon against those who would extend the tyranny of communism to the world at large. In the realm of ideas there never was and there never will be anything so dynamic as the concept of freedom. And the supreme test of the sincerity of those who profess themselves to be devoted to the principles of freedom is the application of these principles when they concern the rights of others than ourselves. It is easy to demand something for oneself. The true lover of freedom will insist that the rights of others be protected, however unpopular they may be and however he may disagree with what they say or think. Indeed, this must be so, even if he thinks such other persons are dangerous criminals. The Bill of Rights applies to all alike; and it is not possible, according to our constitutional principles, to brand a person as a felon until he has been tried and found guilty according to the letter and the spirit of the laws established for the protection of us all. If we do not follow this course, it will only be a question of time before our constitutional guarantees will have gone with the wind. Your liberties and mine, your precious right of life, liberty and the pursuit of happiness and mine as well will have disappeared.

I never shall forget the first time I saw the Statue of Liberty. Standing there as a beacon of freedom it gave me a thrill of patriotism. It is a symbol of the country we love so well. And all about us are the fruits of the wisdom of those who gave birth to the document we celebrate on this Constitution Day. Despite the evil and the ill will and all the obstacles inherent in the operation of a system designed and administered by human hands, we freely elect those who pass and execute our laws, we may worship according to our conscience, we may come and go as we please and do the work we wish to do, with a free press and the right to form our own opinions and express ourselves accordingly. How can we do otherwise than be thankful for these blessings! And so I beseech all, treasure the Bill of Rights in your hearts and be true to it. There is no better way.

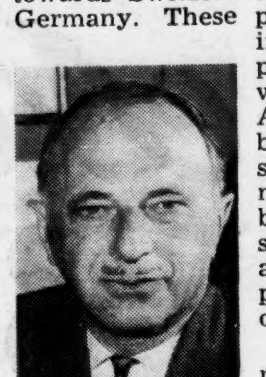
***An acceptance speech by Judge Medina in receiving the Bill of Rights Gold Medal Americanism Award presented by American Legion Wall Street Post No. 1217, arranged by the Downtown-Lower Manhattan Association, Inc., at a ceremony marking the Anniversary of the Bill of Rights held at Federal Hall National Memorial Building, Wall & Nassau Streets, New York City, Sept. 26, 1960.**

Is Europe Still Ripe for American Investments?

By Jacques Coe, Senior Partner, Jacques Coe & Co. New York City

Wall Street partner notes some of the striking changes that have transpired since his past visits to Europe. Stocks and real estate, even by our record rises, are found to be speculatively high and any sudden realization of paper profits are held to be capable of bringing about sharp and shocking declines. Mr. Coe comments on the remarkable industrial recovery, restoration of self-respect, and U. S. A.-assisted competitiveness of Europe. Those who left our markets for greener fields in Europe, Mr. Coe concludes, eventually will be returning home—some richer, some poorer, and all of them much wiser.

Nothing runs faster than scared money. During the past summer it was running towards Switzerland and West Germany. These prosperous countries were inundated with unwelcome capital and felt very unhappy about it. This kind of money is ever temporary, will run in another direction or come back home the moment a period of crisis is past, or it has gone into Swiss or West German securities which already are at fantastic levels, thereby aggravating still further a very sensitive and volatile situation.



Jacques Coe

If the readers of this article believe that some of our American glamor issues have been superlatively high (and they certainly have been), a look at some of the comparable issues abroad will make their hair stand on end. Putting it into one phrase, the entire speculative world, both here and abroad, has been drugged by the opium of a new electronic world where dream profits are envisaged without limit and promises of vast fortunes are just around the corner at the end of the rainbow.

Without meaning to be cynical, many if not most of the participants in this world of make-believe either are too young or immature to have experienced previous periods of disaster. These happy speculators play along, following the line of least resistance until reality catches up with them.

One should not write about financial conditions in Europe as a generalization. To do so, one first must visit and spend much time in all the continental countries. Since iron curtains are still hanging, the itinerant compromises on England, France, Holland, Italy, Switzerland and West Germany.

To the eye of one who had made the same trips to the same countries annually, both before and after World War II, it is patent these last few years that industrially there is pronounced prosperity and expansion. Free-world Europe is "on the go." Among the various indications of better living, we begin with something unimportant but significant. There is an absence of beggars on the streets. This observation may seem trifling, but anyone who visited these same places 10 years ago is conscious of the difference.

Observe the superabundance of motor cars, all made in Europe, as against 10 years ago when a vast majority of the cars on the street were still U. S. A. makes. Unfortunately for us, the American made car has been overwhelmed by European makes of every kind and the American car is the exception.

New construction of homes and office buildings is in evidence everywhere. The price of real estate, both business and residential, has skyrocketed. In many instances land values are 10 times what they were 10 years ago.

After nearly 50 years, Europe has regained its self-respect. Not once during the interim between World War I and World War II was this feeling in existence. The after effects of World War I with its inflationary currency troubles and slow rehabilitation never did give any one country a chance to catch its breath. Spain was torn by civil war. Germany first went through a currency inflation which ruined every one, followed by the scourge of Hitlerism. France was in constant political turmoil. Great Britain was struggling to maintain the integrity of its hallowed Pound Sterling and Italy was being ground under the heel of Mussolini. This was an entirely different Europe from what it is today.

After World War II, the idealistic United States, still carrying the torch of Woodrow Wilson, helped all of these battered countries get back on their feet. Not only that, but eventually Western Europe became self-sustaining.

The job was done so well that while politically they are our friends, economically they are our competitors. This poses an interpretation of idealistic psychology: "would it have been better to permit Communism to creep into all these European countries, (which might have happened if we had not helped them), or was it better to do what we did under the Marshall Plan?". We now have created a type of industrial and commercial competition which the United States will feel for a long time to come, certainly as long as foreign wage scales and production costs are so much lower than our own.

We saved Europe from ruin and Communism at the expense of our economic future, but only history will tell in the years to come how right or wrong we were.

The financial impact of this European industrial recovery on the various Stock Exchange centers has been sensational. Share prices have skyrocketed out of all proportion to current and future earnings. The U. S. A. has not been alone in its generous appraisal of electronic hopes. Almost everybody in free Western Europe who has some capital is in the stock market, although not on borrowed money, but there is an absence of breadth and solidity. Any sudden desire to realize on these paper profits can bring about sharp and shocking declines. Recently we have seen this occur in Frankfort and, to a lesser degree, in Amsterdam. We are in the process of some soul searching in our own American market. The magic words of automation, electronics, data processing and chemical formulas may continue to be the growth promises of tomorrow but we hope in a more restrained manner.

Here and abroad, speculation in these glamor issues has been rampant. Hope and hot air are not the best foundation on which to sustain a bull market. We may still have to look under several rugs and sweep out some of the fanciful things inherited these last two years.

Having just returned from Europe, we are faced with the inevitable query — "How do you find things over there?". One must answer truthfully that human nature being what it is the world over, there is not too much difference between Western Europe and the U. S. A. except that the breadth of our markets is more substantial. Our regulations and supervisions are more strict. In the final analysis, those investors and speculators who have left our markets for greener fields in Europe eventually will be coming home; some richer, some poorer, but all of them much wiser.

Hayden, Stone Co. Names Managers

Hayden, Stone & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, has announced the appointment of Robert A. Crothers as national sales manager. Richard E. Boesel, Jr. has become associated with the firm as syndicate manager.

Thompson Joins Shields & Co.

Shields & Company, 44 Wall St., New York City, member of the New York Stock Exchange, announces that Tom G. Thompson has joined the firm's research department to write and edit the weekly *Shields Survey*. The new market letter will be designed especially to be of interest to informed and experienced investors.

Mr. Thompson had been a senior editor of *Forbes Magazine* which he joined in 1956 as a staff writer.

Sound Approach to Business And Stock Market Outlook

By Anthony Gaubis*, *Investment Counselor and Economic Consultant, Anthony Gaubis & Co., New York City*

Investment counselor anticipates a further decline in market averages in next 60 days which will provide attractive buying opportunities. He recommends keeping substantial buying reserve of 40 to 50% in order to acquire new purchases that offer good values. Looking further ahead, Mr. Gaubis believes that the current market decline will not last much longer, or go much further for a majority of less popular equities, and that resumption of post-1949 rising trend of price/earnings ratio will not continue beyond 1962 or 1963. Singled out by the author are five sets of influences affecting business and the stock market outlook. The decline in industrial activity should end, he adds, at about the time when business inventories stabilized or declined for six or seven months, and instalment purchases lag behind repayments for at least a few months.

In discussing the business outlook a few years ago, an economist with a sense of humor remarked that: "If you are not confused, it is probably because you have not looked at all the facts." There is a great deal of truth in that observation as applied to the outlook at almost any time. I believe it is a fair appraisal of the record to say that most of the errors in business (or stock market) forecasting are due to indulgence in a degree of wishful thinking, or the failure to accept conclusions suggested by the really basic fundamentals. In this discussion, I shall try to focus attention on what have proven to be the fundamental or dominant influences in the economy, as judged by my own experience over the past 30 years. Apart from the warning that any appraisal of the future should be reviewed at least every three to six months, my only "hedge" is that the conclusions I shall present are based on the assumption that the "cold war" will continue to stay reasonably cold. If we should become involved in another conflict, even on the limited scale of the Korean War, political decisions in the sphere of taxes, price and wage controls, etc., would at least temporarily dominate the business and stock market outlook.

Anthony Gaubis

It may be in order for me to mention at this point that the studies I shall discuss have been tested **in actual practice** for much longer than most of the currently widely publicized theories, but have a "batting average" of only 80%. They helped foresee the impending business and stock market readjustments in the spring of 1937, when the popular view was that low money rates, and the pent-up demand for capital goods, virtually guaranteed at least two additional years of excellent business activity. (Instead, by early 1938, business activity declined by 33%, accompanied by a 50% break in stock prices.) These studies also gave definite warnings of the stock market readjustments which were to be witnessed in 1946, 1953, and in 1957. In the spring and early summer of the latter year, our business and stock market forecasts ran counter to those of the largest statistical organizations in the country, as our studies indicated that a business readjustment was virtually inevitable, but that the recession would probably run its course by early in the second quarter of 1958. In October, 1959, this approach was behind the statement made in my talk before the Thursday Investment Club of St. Louis: "We now appear to be either past or very close to a major cyclical peak in the stock market." (This talk was published in the Oct. 29, 1959 issue of the *Commercial & Financial Chronicle*. As things have turned out, we had already witnessed the bull market high for the vast majority of stocks, and for both the New York *Times* and Standard & Poor's Averages, even though the Dow-Jones Industrials were to reach a new high, for one day, in January of this year.)

The economic measures that I have found to be consistently among the dominant or controlling fundamental factors in the business outlook are those comprising the four-page statistical summaries which we prepared especially for this talk and as a future monthly feature of our weekly client letters. On the first page of our graphic review, we show the FRB's Index of Industrial Production as a percentage of the estimated long-term growth in basic consumption; monthly estimates compiled by the Department of Commerce on the level of business inventories; and monthly data on consumer indebtedness that show the extent to which the economy may be benefiting at any time by an unusually high rate of spending of future incomes.

In the center fold of these charts, we show a fundamental factor which has almost invariably had a major influence on the business picture—the trend of the stock market. Because of its importance, we shall give this subject priority in our discussions of the business outlook.

On these graphs, there are two sets of statistics which, taken together, have been very helpful in determining the outlook for stock prices. I might explain at this point that we are using the Standard & Poor's Index of 425 Industrial Stocks rather than the more widely publicized Dow-Jones Industrial Average because the Standard & Poor's Index gives a somewhat truer picture of fluctuations in the value of all stocks than does the Dow-Jones compilation. Unfortunately, the Standard & Poor's Index tends to be misleading when used as a measure of performance of a diversified investment fund over any one or two year period. This is true because it is dominated by the price fluctuations of about 20 stocks which have the largest capitalizations, as individual issues are "weighted" on the basis of the number of shares outstanding. (General Motors, for example, has 30 times the weight of Chrysler, 40 times the weight of Deere, and 400 times the weighting of McCall!) However, this Index is less subject to manipulation than is the Dow-Jones Industrial Stock Average, which also tends to be misleading because it now moves up and down by about nine points with any change of one point in the price of the average stock.

In several recent periods, unusually sharp mark-ups in the prices of one or two manipulated issues have resulted in new highs for the Dow-Jones Industrial Average, and have led to very optimistic headlines, even though a composite of only 28 or 29 of the 30 Dow-Jones issues would have warranted a contrary conclusion. (My own experience has been that the *New York Times* Industrial Stock Average has the highest degree of correlation with fluctuations in the prices of the majority of stocks, but this Index also has certain limitations, and is not readily available to most people.)

Causal Factor in Stock Market

I learned many years ago that in spite of the widely accepted theory to the contrary, fluctuations in the stock market have a greater influence on business activity than vice versa. This is true because changes in equity prices can and do have a tremendous influence on both the buying power of the American people, and on the psychology of businessmen. At the present time, a gain or loss of 1% in the value of the stocks listed on the New York Stock Exchange means a rise or fall of more than $2 billion in the market "values" of American equities. As a result, it is not too surprising that when stock prices have been advancing for six months or longer, spending by the public tends to increase, with the reverse being true following a setback in the stock market of a long enough duration to make people realize that the decline is something more than a minor ripple.

If only 5% to 10% of the net gains in stock market valuations over an extended period were converted into cash and spent, this could (and does) mean more to the economy than changes in the level of commitments for capital goods from one year to another. Unfortunately, the latter is also influenced to a considerable extent by fluctuations in the stock market, so that it has been no trick at all in recent years to predict the direction of changes likely to be reported in the elaborate surveys of capital goods spending plans by merely looking at the trend of the stock market.

Decline Will Not Continue Much Longer

At the present time the fact that stock prices have been in an irregular downward trend since August, 1959 suggests that we may be in for some disappointments as to consumer demand for goods over the three to six months immediately ahead. Fortunately, however, the current downtrend in the stock market is not likely to last much longer, or to go much further, at least in the case of a majority of the less popular equities. This conclusion is based **in part** on the fact that in spite of the implications of the more widely publicized market averages, about two-thirds of the listed stocks are now lower than they were four or five years ago, although the long-term underlying growth of the country is upward.

I have in mind such important equities as duPont, quoted last week at below 190, as compared with a high of 250 in 1955, and of 278 last year; Standard Oil of New Jersey, which reached a high of 68 in 1957, but has recently sold in large volume at about 40% below that level; as well as the extremely popular Aluminum Company of America, a stock that can currently be purchased for less than half of the prices it reached three years ago, even though the consumption of aluminum has continued to rise fairly steadily.

The *New York Times* Industrial Stock Average accurately reflects the fact that the majority of equities are currently below the highs of 1956 or 1957 by in itself being below its 1956 and 1957 peaks. The Dow-Jones Industrials give a somewhat distorted picture of the net progress of the market as a whole for the past three or four years, principally because of the recent popularity of three

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A Psychologist's Views On Securities Salesmanship

By Ellis Weitzman, *Ellis Weitzman Associates, Inc., Professor and Chairman, Department of Psychology, The American University, Washington, D. C.*

Securities salesmen are apprised of the knowledge developed in psychological counseling so as to improve their ability to assist people with their investments. The author painfully notes that many of the methods discarded by the psychological counselors are still widely practiced by investment dealers. He hopes, as a result of this article, that the securities salesman will benefit from the advice tendered.

A good salesman is one who applies sound psychological principles. This is especially true of successful securities salesmen. As a psychologist who has worked closely with many investment firms, particularly in the selection of registered representatives, I have been impressed by the many striking similarities between psychological counseling and advising people with respect to their investments.

Many studies made by psychologists for the improvement of their skills in helping clients solve their problems have real significance and value for investment dealers in the brokerage business. In both situations there is a person-to-person relationship which will be fruitful only if one knows how to provide an atmosphere of mutual confidence, trust, and respect. In both professions real success stems from establishing the proper working relationship between two people. One must have insight into the attitudes and feelings as well as the needs of the clients. Since those engaged in advising clients with respect to financial matters would profit greatly through the psychological findings, the writer wishes to point out some of the revolutionary changes which have taken place in recent years in the ideas and practices of psychological counseling. This is especially true because many of the procedures discarded by them are still widely practiced by investment dealers.

Changes Made in Counseling

In the early part of this century, the vocational guidance movement arose. The basic idea was to study the world of jobs, interview the individual, then tell him what "he ought to do." Today, very few psychologists take such a simple view of the matter. As a matter of fact, we no longer expect a person to spend his life doing something just because the counselor thinks he ought to (and people never did, really). We now know that man is not just a bundle of aptitudes, nor can his vocational life be separated from his social life, his love life, his attitudes and feelings generally.

A second stage of the guidance movement resulted from the rapid development of psychological testing after World War I. Between the two world wars, vocational advisement was largely a matter of "test 'em and tell 'em." Since the end of World War II, however, a real revolution has occurred in the basic philosophy of counseling, resulting from the realization of Carl Rogers and others that the counseling process should be centered in the client and not the "advisor." As a matter of fact, the word "guidance" itself has been abandoned because of its connotation that the client is being led or pushed by the psychologist.

Fifteen years of research into the nature of the counseling relationship, the dynamics of decision-making, as well as study of the effect of the counselor's own needs and personality structure upon the outcomes, have led to conclusions which should merit the attention of those whose work as securities salesmen calls upon similar skills, attitudes and insights.

Outlines Useful Concepts

From among the ideas which have gained widespread acceptance in the new philosophy of counseling, the writer feels that the following are especially apropos. In evaluating these concepts, the securities salesman would do well to think back over his own viewpoints, particularly as these have been altered over the years. He may very well note that many of these findings fit well with his own conclusions, even though he may not have verbalized them in the manner presented here.

(1) Before any real progress can be made, a friendly, relaxed atmosphere must be established. The client must feel that he is not rushed, that he is being taken seriously, and that the securities salesman respects him as a human being. This condition of mutual trust and confidence (called **rapport** by psychologists) must precede everything else. Ideally, the client should feel that the firm's representative likes him, respects his judgment, and is emotionally as well as intellectually concerned with him.

(2) The client should do most of the talking. At no time should he be made to feel that his judgment is second-rate, or that he is a "babe-in-the-financial-woods." This is especially true in financial advisement, since the client has in many cases been smart enough to acquire a surplus for investment. Regardless of how he acquires a surplus for investment, he should never be dealt with in a condescending manner.

Unless the desired interpersonal relationship exists, the client is unlikely to tell his advisor **all** the facts needed for a thorough evaluation of his investment requirements. Without trust and confidence, there will be inadequate communication, both of facts and attitudes. As every good registered representative knows, a person's attitudes towards his family, his friends, his retirement—in short, his needs and drives and motivations — are fully as important as his dollar assets in working out a program for his future. The only way to learn about these attitudes and needs of the client is by providing a climate conducive to free expression on the part of the client.

In any counseling on an investment program, what the client doesn't talk about is just as important as what he does talk about. It is also a clue to the degree of **rapport** which has been established.

(3) The client needs to feel sure that anything he says will be kept in strict confidence. Nobody will speak freely if he feels that what he says about his family and his assets will be talked about before strangers or acquaintances. If the representative keeps citing examples, constantly referring to other clients, calling names and giving details of their affairs, the customer cannot possibly regard him as trustworthy in this respect.

(4) Don't talk about your past successes. The **client's** problem should be the center of interest. He doesn't really care about how you helped others. Talking about other "similar" problems and how

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THE MARKET . . . AND YOU

BY WALLACE STREETE

The market action in the last week has given the bulls very little to crow about. In fact, they seem a little bit harder to find. On the other hand it is also difficult to find an extreme bear. Most followers of the market are inclined to feel the averages could work lower, and that business itself might also, but that a serious recession is not to be looked for.

There seems to be little question, that we are in some kind of a recession. How long it will last, of course, is anyone's guess.

Cloudy Economy

The present business news leaves a lot to be desired. The steel industry is moving along at a rate that is considerably below earlier estimates, and sales of consumer items are generally lagging. The '61 automobile year has started off with a bang, with more Compacts offered, plus a lot of optimistic forecasts. It must be remembered that as of the present time there are approximately 750,000 unsold 1960 automobiles in stock.

We have been looking at the photographs of the new '61 cars and have seen some in the showrooms and are struck by the fact that they are quite similar to the 1960's. Just why at the current time when most people are afraid we are going into a recession there should be a 6½ or 7 million car year in '61 is hard to see. However, this is what some people in the industry are projecting.

Some of the current figures that are coming in indicate that '61 automobiles are not moving as well as might be hoped. Should this continue there seems to be very little question the automobile companies will cut back sharply on production. Chrysler has in fact already announced that they are furloughing 5,000 men.

The steel industry also has optimistic forecasts for the fourth quarter. These are based on the fact that the automobile producers did not come into the market for steel in the third quarter and hence they must do so in the fourth. However, should there be auto cutbacks, the steel industry forecasts would be optimistic. As some of the dividend coverages in both the motor group and the steels is slim to say the least, it is not at all inconceivable that we could see a raft of dividend cuts in these basic industries. The psychological effect on the market might be great.

Some Bright Spots

There is an old saying on the street to the effect that when things are the blackest, that's the time to buy. We think this might be a good thing to keep in mind during this market reaction as there are undoubtedly many stocks that should have a very good year and seem to have good prospects for next year also.

One group which has been a favorite of ours for some time is the small plane group; Piper, Cessna and Beech. They have reacted sharply from their highs of the year and would seem to offer an excellent value. The field of business flying has just barely been scratched. Corporations are just realizing that a corporate plane can be a great aid as a time saver and for increasing markets. There are over 1800 registered airports in this country today and only 600 of them are served by commercial airlines. Of these 600 less than 220 have more than two commercial flights a day. The trend in American industry today seems to be away from the congested metropolitan areas and, hence, private business planes in many cases offer the only fast mode of transportation both from point to point and as feeders for the large commercial airlines.

The Favorite

Of the group we prefer Beech Aircraft. The company has a relatively small capitalization of 889,000 shares which is about to be split three for one. For the first nine months ended June 30 of this year commercial sales were up 40% from the year before while total sales increased by 22%. A further increase is indicated for 1961. Beach is the only one of the small three manufacturers that makes a business plane with a walk-around cabin and a built in head. The two planes sell from approximately $80,000 to $110,000 and there is no other business plane on the market which offers these comforts that sells within $500,000. The industry estimates that the business plane market should increase at the rate of about 15 to 20% a year compounded.

Some Other Good Prospects

Another group that we like is the Brunswick Corporation and American Machine and Foundry. Both these companies are the leading names in the automatic pin spotting machines of the bowling industry. This field has been growing at a rate that has astonished the experts. Far from reaching a saturation point, the growth seems to be continuing, as indicated by the increase in backlogs for both companies.

Both these companies are well diversified in other fields, with Brunswick specializing mainly in the leisure time field, and American Machine and Foundry in other specialized machinery. Brunswick Corporation is also one of the largest producers of school equipment, which makes it particularly interesting as the plank of both political parties calls for further increases in school construction.

Zenith Radio also seems to be behaving better than the market. Whenever there is a rally in the market this company is one of the first to snap back. Although a high percentage of the company sales are made up of television sets, we understand that sales are holding up remarkably well and that the company has a very tight inventory control. The company is increasing its share of the industry with each quarter. They also do some very fine electronics work and they are in many major research and production projects for the Government.

"Free Ride" Over

It is very difficult for anyone to project where this market may go on the down side. However, one must remember that even in bear markets there are stocks and groups that do better than the general. It is hard to see the country going into a major depression, particularly in view of the economic stimuli the Government has to offer. Government spending is almost certainly due to increase in the coming years.

Equally, it is hard to see where we can have a run away boom. The time of the free ride for the stock market analysts would seem to be over and the market in the next year or so will offer some intriguing possibilities for those who are willing to get down and dig.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Liberals already exercise enough influence in this country without their electing a President. Several of Mr. Eisenhower's recent steps can be traced to Liberal pressure.

For example, his recent directive that the Panamanian flag should be flown alongside the American flag in Panama to show that Panama holds titular sovereignty over the Canal Zone was due to the Liberals influence. The Panamanians have some sort of a celebration coming up in the next few weeks and Mr. Eisenhower was afraid they would demonstrate and embarrass Nixon in his Presidential campaign. The Liberals would have charged it was another case of the United States losing prestige. As it is the Panamanians are likely to find something else to agitate about. Backing down on the flag controversy will only whet their appetites.

More to the point, however, was the admission of 13 newly created African states to the United Nations. This was directly pointed at the Negro vote in this country. The United States has never been outvoted in the United Nations regardless of the talk about our losing prestige. However, the admission of these 13 Nations brings the total to 40% of the membership that we cannot count on. The way things are going the time is coming when we will be outvoted. If they fall in the Russians' orbit we can imagine how difficult things will be. That's the reason Mr. Eisenhower went out of his way to cultivate these representatives on his visit to New York. However, Khrushchev was letting no grass grow under his feet. He jumped up and shook hands with each of the new delegates as he arrived in the assembly.

It was the Liberal influence that brought about the independence of the African nations in the first place. Because of domestic politics we pressured Belgium to give them independence when they certainly were not ready for it.

We are in the position now of being the fall guy for practically every nation in the world.

We have turned over the enforcement of the Monroe Doctrine to the Organization of American States. This because of the Liberals' influence. They have harped for years on how we mistreated the Latin American nations but we had more order and stability and protection of American property until Franklin D. Roosevelt established the good neighbor policy. Under that policy Mexico was encouraged to expropriate American properties, the same as Cuba is doing today. Under the agreement we have with the Organization of American States, however, we cannot move against Cuba without their approval.

Our State Department and Administration generally in giving in to Liberal pressure in these matters is rendering a disservice to the American people. The situation in the United Nations is likely to be in a few years precarious and there will be those of us who will want to get out.

We were duped into permitting the United Nations to be located in this country. Russia was one of the nations that insisted that inasmuch as we had led the fight for the creation of the United Nations we were entitled to house the assembly. We are naive and felt flattered when the so-called honor came to us. It has turned out to be a tremendous sounding board against us. If it were located in Europe half of its propaganda impact would be lost in transmission to this country.

As it is, Khrushchev coming to this country has completely taken the Presidential campaign off the front pages. As a matter of fact he has greatly affected the campaign. Both Nixon and Kennedy can't get him out of their minds and are forever hurling challenges at him. If Khrushchev were to indicate his preference for one or the other candidates, and there is a question as to whether he hasn't already, it would be certain defeat for his preference.

Getting back to the Liberals' influence it was they who pressured Britain to give up India which, while it has fared better than other nations, has been bothersome nevertheless. We have a policy of noninterference in the internal affairs of any nation. Oh, that we could live up to it. We are constantly meddling here and meddling there with our so-called high ideals of democracy.

We almost ruined Britain after the first world war with our demands that she give up certain territories under our policy that all nations were entitled to establish democracies. We reduced her to a second rate power after the second world war.

If I were the British I would look long and fast, in the event of another war, against calling for our assistance.

Jonathan Winters Joins R. S. Dickson & Co. Inc.

MIAMI, Fla.—Jonathan H. Winters of Coral Gables has been named a registered representative with R. S. Dickson and Co. and will be associated with the investment firm's Miami branch, First National Bank Bldg.

Mr. Winters, whose son Jonathan III is a well-known TV comedian, was formerly the manager of Gordon Graves and Co. He came to Miami in 1947 as President of Winters-Becker Corp.

He was Vice-President of the Oakwood St. Railway Co. in Dayton from 1921 to 1945 and, during the same period, was in commercial banking with Winters National in Dayton and Chase Manhattan.

He went with the Airtemp Division of Chrysler as eastern Division Manager in 1945 but left that position to start his own business in Miami.

R. M. R. Associates

R. M. R. Associates are engaging in a securities business from offices at 152 West 42nd Street, New York City. Partners are Jack L. Rubin, Harry L. Rubin and Morris Margolin.

Two With Robt. Levy

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Richard L. Freeman and Rita D. Morrison have become connected with Robert J. Levy & Co., First National Bank Building.

The Next Six Crucial Weeks In the U. S. Gold Outflow

By Paul Einzig

Outlined are the warranted and unwarranted reasons for the U. S. gold flow. Dr. Einzig's column makes the point that Britain could help neutralize the spread between Britain's and United States' interest rate level by officially supporting forward dollars. Dr. Einzig also suggests that our banks be permitted to raise the interest rates on foreign deposits to help stop the traffic in "Euro-dollars."

LONDON, Eng. — The resumption of the large-scale gold outflow from the United States has not come unexpected. For some months it was widely assumed that with the approach of the election date the pace of the movement would increase. But it seems that some unforeseen factors have accentuated the effect of the election factor. The deterioration of the international political situation figures prominently among them. The loss suffered by the United States as a result of the large-scale confiscation of American property in Cuba is another cause. The increased hoarding demand for gold caused by Swiss and German measures against the influx of funds is yet another. Last but by no means least, the contrast between the recent reduction of bank rates in the United States and the unexpectedly prolonged maintenance of the British bank rate at 6% plays an important part in the international movement of funds and of gold.

As far as the international political situation is concerned its reaction on the American gold situation seems to be largely unwarranted. Nobody expects seriously a war in the immediate future. Possibly a conflict might develop over West Berlin towards the end of this year, in which case there would indeed be justification for some pessimism. But there is a good chance that nothing will happen in that direction for some time to come.

Painful as the loss of Cuban investments must be to the interests directly concerned, for the United States as a whole it is a drop in the ocean. Holland shrugged off the effects of the wholesale confiscation of Dutch property in Indonesia, even though it constituted a very high proportion of the national wealth. The extent to which the American balance of payments will be affected by Dr. Castro's acts of banditry should make no perceptible difference to the dollar position.

The increase in private demand for gold in the London gold market, which has brought up the price to the equivalent of $35.25, is an important influence. It has been largely the result of the defensive measures adopted by the Swiss and West German authorities against the unwanted influx of foreign funds. Since foreign owners of refugee funds are discouraged from holding Swiss francs or Deutsche Marks, their demand has been diverted to the gold market.

Finally, the widening of the discrepancy between interest rates in London and New York has resulted in a flow of funds to London, far in excess of the extent indicated by the increase of the sterling area gold and dollar reserve. Much of the gold and dollars gained through this movement of funds is lost as a result of the adverse balance of payments of the United Kingdom and over-lending abroad.

Criticizes Britain for Not Supporting the Forward Rate

This last mentioned cause of the gold drain is by no means unavoidable. Admittedly American business is in need of stimulus, so that the lowering of the bank rates is justified from a domestic point of view. Likewise the maintenance of the British bank rate at its high level is justified by the development of a new phase of wage inflation in Britain. But there is no reason why the contrast between the requirements of American and British domestic economics should lead to an international flow of funds leading to an outflow of gold. It could be prevented by an intelligent application of forward rate policy.

If the object of the high London bank rate were to attract gold from New York the passive attitude of the authorities in face of the movement would be understandable. But since its object is to resist domestic inflation there is no reason why its international effects should not be neutralized. This could be done quite easily by means of official support of forward dollars. The reason why higher interest rates in London attract funds is that premium on forward dollars is not wide enough to offset the difference. Once the forward dollar is made to appreciate to its "interest parity" with forward sterling it would cease to be profitable to transfer funds from New York. And if official intervention should go as far as to result in an overvaluation or forward dollars it would become profitable to transfer funds to New York.

It is of the utmost importance not to allow the gold outflow to become further accentuated during the coming vital six weeks. That being so, it is a pity not to make full use of a technical device which could effectively check the flow, and even reverse it.

Stopping Traffic in Euro-Dollars

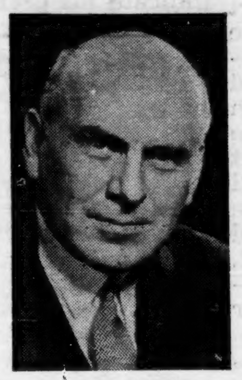
Another technical device which would be helpful would be a suspension of the rule fixing maximum deposit rates in the United States at an artificially low figure. Apart from any influx of funds resulting from higher deposit rates, they would put an end to the traffic in "Euro-dollars," that is, dollars owned by European holders which are re-lent in London. This practice has greatly increased the volume of loose dollars available in the markets. Their total is now estimated at between $500 million and $1,000 million, so that the termination of the practice would make an appreciable difference from the point of view of the dollar position. In any case the restriction on deposit rates has outlived its usefulness and is certain to be repealed sooner or later. If its repeal is timed to take place during the present phase it would produce a welcome once-for-all effect in support of the dollar.

Bankers Cannot Neglect Emergency Planning Now

By John J. McCloy,* *Chairman of the Board, The Chase Manhattan Bank, New York City.*

The essential—and unfortunately the unpopular—task for banks of getting on with developing an emergency preparedness plan is urged by Mr. McCloy. Reviewed are the plans and guidance offered by governmental and banking sources, and what specifically each bank should do. The theme stressed is the deterrent effect of survival postattack training would have in convincing the enemy not to attempt an attack, and why it is important for banking to stimulate the flow of money and credit quickly after the shock of attack, or a non-man made disaster, has passed.

Any discussion of bank preparedness for emergency should I suppose, to be complete, contain an appraisal of the need for such a program. Yet it would be very easy to find oneself engaged in a rather lengthy analysis of international affairs rather than in bank preparedness programs if we attempted anything profound in the way of an international resume. Two years ago, Governor Robertson at the Chicago Convention stated that "these are troublous times; peace is threatened by events overseas which seem at times beyond the control of any person, nation, or group of nations." Certainly nothing seems to have occurred in the interval to improve conditions, to say the least.



John J. McCloy

The failure of the Paris Conference, the sustained invectives of Mr. Khrushchev, the irascible actions in Cuba, and the ominous state of affairs in the Congo make what I have just said almost the prize understatement of the year. Incidents have occurred and epithets have been uttered which a few years ago would have caused consternation in the capitals of the world, and we go along in this world of strain on the rather questionable assumption that war is so incredibly destructive that no one would think of starting one. So horrible are modern weapons, the argument runs, that we need not consider the possibility that they might be used. Yet one most important branch of the Communist world fully believes war is inevitable, and it would seem that it almost feels it is desirable. I refer to Communist China. The Soviet Union seems not to think so, but it makes it just as clear that it seeks world domination by other means, at least until it is shown that the other means will not be successful. Well neither the Chinese nor the Soviet philosophy is particularly comforting, and with the world in a state where a whole battery of deeply serious problems and issues present themselves every day in the chancelleries of the Free World, it does seem abundantly clear that we should do all that is within our reasonable power to avert either consequence.

There is not much that we can do as bankers to guide the preparation of the armed forces of the nation—there is not much we can do to make better (or worse) nuclear weapons—these are first-line deterrents to surprise or other attacks, but there is another extremely significant deterrent which we can materially influence, and that is our recuperative power after an attack.

If we are in a position to infuse new life and energy during the postattack, within our nation, and the enemy knows that we can, we do create a very powerful added deterrent to any aggressive intentions the measure of which is directly related to the extent and character of our preparations.

Prompt After-Attack Job

What bankers can do is, with the help of government, to plan and forge the weapons which will stimulate the flow of money and credit in our society after the shock of the first wounds and confusion of a nuclear attack have passed. No nation has ever experienced the shock of the casualties and destruction which are involved in a modern all-out nuclear attack. Even Hiroshima and Nagasaki are scarcely comparable to the blow which can now be delivered against a whole nation rather than a single city. The nature and the impact of the shock are difficult to appraise, but one thing is clear—that it will be vitally important for our morale, as well as our survival, that we set immediately about putting things in order and working on a plan of rehabilitation. But those plans, to have any effect, must be laid before the attack — not after. We shall need points of reference in terms of prior plans which as the sailors say "we can lay to" should such a dire calamity ever strike this country. Without such plans we may well have no power to retaliate; on the other hand, it is the knowledge of such retaliation and inextinguishable energy which will moderate the plans of our enemies.

How many times has it been said—and with real justification—that the bankers hold a peculiarly important position of responsibility in their communities. If so, considering the all-important aspect of sustained credit and money availability which the postattack period will represent, how can we as bankers escape the responsibility of doing what we can beforehand to make plans which can: (a) have a direct bearing on our ability to rise from the blow of modern destructive power should it come, or (b) perhaps more importantly, add greatly to

Lanston Elects Two Officers

Aubrey G. Lanston & Co., Inc., 20 Broad Street, New York City, has elected George J. Wunsch and William C. Allison IV as Assistant Vice-Presidents. Mr. Allison will make his headquarters in the firm's Boston office, 45 Milk St.

Joins Lerner Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—Mary E. Sullivan has joined the staff of Lerner & Co., 10 Post Office Square. She was formerly with Old Colony Securities Corporation.

With Tucker Anthony

(Special to The Financial Chronicle)

BOSTON, Mass. — Richard E. Brown has become associated with Tucker, Anthony & R. L. Day, 74 State Street. He was formerly with Davis & Davis.

the deterrent factor in the mind of any enemy contemplating an attack. We do have a mandate from our government to do this, but more significantly we have a mandate from our collective conscience.

I think I have said enough in general terms—it is now time to be more specific. What has been done already in the way of planning and what can an individual banker do to play his proper part?

Emergency planning or preparedness planning, if you wish, on a very limited scale, goes back to World War II. With the outbreak of the war in Korea it was given added impetus; and starting in 1950, some of our banks began programs which entailed principally the duplication and remote storage of records. In 1956, the government, through the Office of Defense Mobilization, now known as Office of Civil and Defense Mobilization, charged the Board of Governors of the Federal Reserve System with responsibility for development of national security preparedness measures relating to monetary and bank credit policies and programs and, together with certain Federal agencies, for the development of national security preparedness programs relating to the operation of the banking system. It was the consensus of the board and these agencies that the task of developing a preparedness program for banks could not be undertaken by the government alone, but by the banks with the cooperation of the government. This decision was followed by the appointment of a committee of bankers known as the Advisory Committee on Commercial Bank Preparedness, of which your speaker is Chairman.

Information and Guidance Steps

The Advisory Committee, in turn, formed a subcommittee called the Banking Committee on Emergency Operations whose members consist of some of the outstanding bank operations men in the country. Under the leadership of their Chairman, G. Edward Cooper, that Committee drafted an excellent series of five booklets on preattack planning known as "Preparedness Program for Emergency Operations in Banking." These booklets, which were published and distributed through the American Bankers Association to every bank in the United States, provide an excellent emergency planning blueprint for any bank, regardless of size location, or type of customer. They provide information and guidance to bankers on five important steps to survival following any natural or manmade disaster:

(1) Organizing and administering a program in your bank.

(2) Protecting your personnel.

(3) Providing for management succession and alternate headquarters.

(4) Protecting your physical properties.

(5) Establishing a duplicate or alternate records program.

Two more booklets, covering postattack operations, are to be issued under the titles:

(6) Collections of Cash Items and Noncash Items.

(7) Cash (currency) Operations.

Both of these booklets have for some time been awaiting clearance by certain Federal agencies, including the Treasury Department, as to their conformity with postattack monetary and credit planning on the national level. I am very happy to announce that the necessary clearance has just been given and that publication and distribution to all banks will very likely take place before the end of the year. It is sincerely hoped that with this important step in the national preparedness program for banks will take a giant step forward.

Originally, it had been intended to include booklets on Credit and Customer Participation in the Banking Program. However, it is felt that with the seven booklets I have mentioned, the banking system will have as much as it needs in the way of guidance toward complete emergency planning programs.

The thinking now is that the subject of credit can be covered possibly through emergency banking regulations issued through the Treasury and, in more detailed instructions by the Federal Reserve Banks. The extent of customer participation is something which each bank can decide for itself as it charts its own program.

Since the emergency preparedness program had its official beginning four years ago, various groups such as your own State Association Section and individuals have rendered dedicated service to its promotion and have given encouragement and assistance where needed. In particular, I should like to mention that a number of state associations have done an outstanding job among their member banks and some have undertaken to make prototype studies of costs relating principally to duplication and storage of records. In going a step further, they have agreed to make these studies available to banks everywhere, and I think this is splendid. The Federal Reserve Banks have been a tower of strength to the program in a number of ways. They have accomplished this while in the process of completing their own individual emergency programs and appointing a network of check agent and cash agent banks across the country. NABAC and some of the clearing house and county associations have been active in sponsoring seminars on this subject and otherwise including it on their meeting agendas. The National Association of Supervisors of State Banks has given evidence of its interest and active support. Individuals — notably, Governor Robertson, Ed Cooper, members of the national committees and many others have taken extensive time from their busy lives to speak on the subject before groups of bankers everywhere.

Meanwhile, the Advisory Committee has been active. On numerous occasions, letters have been sent to the executive secretaries or to the presidents of all the state associations, providing them with information and literature which would be helpful to them in their efforts to stimulate and assist their members to take some action in this matter. On two occasions, I have addressed letters to the chief executive officer of every bank in the country, the latest on July 1 of this year, in which it was urged that serious consideration be given to emergency planning. Replies have been received from all sections of the country, and in almost every instance the writers state that they either have a program or are interested in starting one now. Encouraged as we are by this manifestation of renewed interest and responsibility, we cannot but feel uneasy and disturbed that so many others are doing little or nothing about this nationally vital matter. Our problem then as we see it is to try to reach the individual banker, to appeal to his sense of responsibility and patriotism. Obviously, personal contact with a representative of every bank is impossible; and, therefore, I am going to ask each one of you to consider this message as being directed to you individually.

The Individual Banker

Today as the individual banker anxiously scans the horizon he might very well imagine that he discerns a faint suggestion of a dark and angry cloud, a mushroom cloud, and prays that the mirage may never become a reality. But he cannot rely on prayer or hope alone. Recognizing his responsibility to the people of his community and to the nation, he knows he cannot gamble on the chance that it will not materialize. What then can he specifically do? He must do what we can to protect their best interests and his own as well by taking immediate measures against the emergency that threatens not only their material resources but possibly their very lives. As a first step, he reads and digests the material contained in the booklets I have referred to and in other available literature. This will help him in planning how to shelter his staff, arrange for an alternate site at another location some distance away, and provide for management succession. Now this banker is farsighted enough to realize that if his records are destroyed he will no longer know his asset and liability position nor the details of his customer relationships. Also, he knows that if his bank expects to participate in any equitable sharing of postattack war losses, it will have to produce records to prove its claims.

With these reasons in mind, he sets up a system of duplication and remote storage of records that is best suited to his purpose and discovers, to his surprise, that the cost will be considerably less than he had anticipated. He discusses his plans with the state association, with the district Federal Reserve Bank, and calls on his local Civil Defense people to insure that his plans are compatible with those established for the community as a whole. His is not a plan which can be set up without real effort and imagination, but it is not so burdensome that it cannot be undertaken by any one with a normal sense of responsibility. I might inject here that such action is certainly in keeping with the many steps we normally take every day in exercising our prudent banker responsibility. Finally, our friend, the individual banker, recognizes how important it is that his staff have a thorough knowledge and understanding of the plan. It will be of no use to the bank or the nation if it all lies in his mind and he becomes incapacitated.

I have tried in this very simple manner to show how one banker, though only a symbol of many like him, came to realize the urgent need for emergency planning in his own bank and did something about it. His bank and the people of his community would by reason of this planning be a real contributing factor in the sustained power and security of the nation.

If you forget everything else I have discussed I hope you will continue to bear in mind the role you as a leading citizen of your community can contribute to the security of the nation.

In any nuclear war the victor will be that nation or group of nations that can first rise to its feet, shake off the dust and debris, and make a fresh beginning. A fully prepared banking industry would increase immeasurably our ability as a nation to survive and recover from such a disaster. However, the greatest value by far in being fully prepared would be the deterrent effect it would have on a potential aggressor. If war becomes a reality, every one of us would be called upon to make undreamed-of sacrifices, some even of their lives; but the sooner we get about doing a necessary and constructive job the less chance will there be for the disintegration of our respective communities. But again I repeat, the mere fact that we have thought our plans and means for rebuilding the services of our society will be a major factor in convincing the enemy not to attempt an attack.

I do not want to end by stressing the dangers of the times. I do not believe we are about to engage in a war. I do not want to make an exhortation to your patriotism. I do want to appeal to you as bankers who occupy a peculiar position of responsibility and standing in your communities, to take the steps which I sincerely believe enhance at one stroke the security of the country and greatly improve the chances of avoiding war.

*An address by Mr. McCloy before the 1st general session of the 86th Annual Convention of the American Bankers Association, New York City, Sept. 20, 1960.

Townshend Budd Forms Own Co.

ATLANTA, Ga. — Budd & Company, Inc. has been formed with offices at 3272 Peachtree Road, N. E. Townshend Budd is a principal of the new firm which will take over the investment business of Mason, Garlington and Wilcox Company. Mr. Budd was formerly an officer of McNeel, Rankin & Budd, Inc. Prior to his association with that company he was with the firm of R. S. Dickson & Company, Inc.

Eastman Dillon Adds

(Special to The Financial Chronicle)

CHICAGO, Ill. — Peter Lackner has been added to the staff of Eastman Dillon, Union Securities & Co., 135 South La Salle Street.

Shapiro Bros. Admit

On Oct. 1 Max L. Kamiel and Lee Shelley will become limited partners in Shapiro Bros. & Schiffman, 1200 Avenue of the Americas, New York City, members of the New York Stock Exchange.

Forms Aker & Co.

PLEASANTVILLE, N. Y.—Walter W. Aker is engaging in a securities business from offices at 76 Stephen Drive.

L. S. Braverman Opens

BROOKLINE, Mass.—Louis S. Braverman is engaging in a securities business from offices at 325 Harvard Street under the firm name of L. S. Braverman & Co.

Savings Subsidiaries For Commercial Banks

By Dr. Jerome B. Cohen,* *Assistant Dean, Graduate Studies, Bernard M. Baruch School of Business and Public Administration, The City College, New York City*

Establishment of savings subsidiaries by commercial banks, or virtually autonomous, first rate savings department, along the lines of competing non-stockholder banks in terms of tax, investment and promotion policies, is one of Dr. Cohen's proposals. The economist constructs a case to prove that inequitable and sizable tax advantages accrue to mutuals. This does not, he adds, absolve commercial banks' failure to attract a greater share of the savings-flow. Demonstrated are other factors in the competitive race for savings held to be as significant as the tax factor which do not all depend on enacting legislative changes as, in part, much depends on the commercial banks themselves.

When I was asked to discuss the subject of savings competition before a mixed audience of commercial and savings bankers, the story of a long-departed British Prime Minister came to mind.

Dr. Jerome B. Cohen

"Will you give the Irish their freedom?" an M. P. from the Emerald Isle demanded. The Prime Minister rose. "I shall," he began to say when the thundering applause of the opposition interrupted. When the applause died down, he continued: "not." This time the government benches roared with approval; but when silence prevailed again, he concluded: "say." It is reported that at this point all members of Parliament, regardless of affiliation, cheered what they considered statesmanlike behavior of the highest order.

I know that all agree that thrift is a wonderful virtue—especially in an ancestor. I think, also, that with respect to one aspect of the competition for savings—namely, the competition between spending and saving—there is little one can do except continue to extol the virtues of thrift, while at the same time another department of a bank may be advertising for consumer loans and devising new revolving credit plans. Over the last nine years, personal consumption expenditures have risen 49% while personal saving has risen 32%.

On the whole, however, the rate of savings has been very steady over the past decade, averaging 7.3% of disposable personal income. Without exploring all of the ramifications, the weight of the economists' thinking is that there is very little you can do to raise that 7.3%. I say "weight of the economists' thinking" because some will disagree. They say that if you place all the economists in the country end to end they will not reach a conclusion. But even higher interest rates have not and will not change that 7.3% decade average. In fact, it was slightly higher over the first half of the decade when interest rates were somewhat lower, and a bit lower over the last half of the decade when interest rates averaged higher.

Interest Rate Competition

Interest rates do play a role, however, in the kind of competition for savings in which bankers are most interested. Where the consumer directs his savings, where he places it, is, of course, influenced by comparative rates of interest paid, as the government's Magic Fives and the 4½% savings and loan rates in 1959 demonstrated vividly.

Competition for savings among alternate outlets has many aspects. I would like to examine very briefly a few, including the tax question. In fact, let's start with that, since it is of most interest. Shortly after the outbreak of the Korean War, seeking additional revenues to cope with the national emergency, as part of its 1950 comprehensive revenue revision program, the Treasury proposed taxing the retained earnings of mutual financial institutions on the same basis as commercial banks. Interestingly, Lee Wiggins, a past president of the A. B. A., was then Under-Secretary of the Treasury.

The Revenue Act of 1951 removed the tax exemption traditionally enjoyed by mutual financial institutions (and still enjoyed by credit unions) and provided for their taxation on the same basis as corporations. The Act permitted full deduction of all dividends or interest paid to savers (whether depositors or share account holders) and by language appearing in Section 593 provided for the deduction of "Additions to Reserves for Bad Debts" of mutual institutions. Such institutions, without capital stock, may deduct, for Federal income tax purposes, a reasonable addition to a reserve for bad debts up to the point that it equals "12% of the total deposits or withdrawable accounts of its depositors." Technically, then, mutual spokesmen are quite correct when they say that they are subject to the same tax rates as other corporations; but, in effect, Section 593 frees a mutual institution of the Federal income tax until its reserves for bad debts exceed 12% of its deposits or shares.

Mutuals Benefit From Tax-Free Reserves

The allowable bad debt reserve for commercial banks is determined by administrative ruling of the Treasury. It is based on a bank's individual loss experience. Originally, it was the bank's loss experience over the preceding 20 years, including the taxable year. On April 8, 1954, however, the Treasury authorized an alternative averaging method under which a bank may elect any 20-year period, beginning with Dec. 21, 1927, as the base for the computation of loss experience on non-insured loans only, not on deposits. As you know, banks may or may not use the formula the Treasury regards as reasonable. They may, if they wish, charge off specific actual bad debt losses, or they may set up a reserve for bad debts and use either the moving average or the frozen average method. An A. B. A. survey found that 55% of the responding banks were on the reserve method while 45% were not. While both 20-year methods are based on each individual bank's own loss experience, and the allowable reserve therefore varies from bank to bank, a study by the Comptroller of the Currency disclosed that, for all insured commercial banks, the average ceiling amount which may be accumulated in reserves for bad debts by commercial banks under the present formula is 2.43% of eligible loans. This 2.43%, however, cannot be compared to the mutual's 12% because the former applies to eligible loans while the latter applies to deposits or share accounts. Since, on the average, commercial bank eligible loans are about half of their deposits, for a proper comparison the 2.4% must be adjusted to 1.2%. Thus, the allowance of tax-free bad debt reserves to commercial banks is only about 1/10 that for mutuals.

Since I do not discuss here equity but rather factors affecting the competition for savings, I suggest, in what some may regard as the understatement of the year, that bankers should not be surprised that smaller commercial banks, which have a higher percentage of time to their total deposits, regard the tax factor as a most important limitation on their ability to compete for savings. Just think of the position of the eight commercial banks, somewhere in the country, which have only time deposits but no demand deposits!

Unfair Reward for Reckless Lending Policy

But the Comptroller's study points up an equally important limitation in the Treasury's formula for commercial bank bad debt reserves. It penalizes the bank which over either a moving or a frozen 20-year period had a sound, conservative lending policy, compared to one which engaged in more flamboyant lending. For example, a bank in Illinois is permitted under the present formula to establish reserves for bad debts equal to 24% of its eligible loans, while another in Pennsylvania had a loan loss reserve of 0.002%, entitling it, at the time of the Comptroller's study (in 1957-'58), to a reserve ceiling of only $84. Tax treatment which rewards recklessness and penalizes caution clearly violates canons of equity.

What has been the tax impact of The Revenue Act of 1951? From Jan. 1, 1952, through Dec. 31, 1958, insured commercial banks paid $5.9 billion in taxes, member savings and loan associations paid $33.9 million, and insured mutual savings banks paid $10.1 million. When tax payments are related to total assets, commercial banks paid an average amount of $4.08 per $1,000 of total assets during 1952-'58, member savings and loan associations $0.13, and insured mutual savings banks $0.06. For every $100 of net income in 1958, insured commercial banks paid $40.01 in Federal income taxes, whereas member savings and loan associations paid $1.17 and insured mutual savings banks 34 cents. Over the seven-year period, member savings and loan associations and insured mutual savings banks allocated $2.9 billion to reserves, undivided profits, and surplus and paid $44 million in Federal income taxes.

Paradoxical Lowering Reserves

Statistics are like bikini bathing suits. What they reveal is very interesting but what they conceal is vital. In view of the $2.9 billion ploughed into reserves, one might have expected to find reserves up to or beyond 12% of deposits or share accounts. Actually, they are now a lower percentage than they were in the year prior to the passage of the Revenue Act of 1951. Over the years from 1950 through 1958, the ratio of surplus accounts to total deposits of mutual savings banks fell from 11.4% to 9.0%. For savings and loan associations, the ratio of reserve accounts to repurchasable shares declined from 9.2% to 7.8%. Thus, a provision inserted into the tax law, presumably to encourage the improvement of reserve positons, has not accomplished that purpose but rather has been used, quite legally, to minimize taxes. Arthur Godfrey once said: "I'm proud to pay taxes in the United States. Only thing is—I could be just as proud for half the money." Apparently the mutuals agree, and they believe as Justice Learned Hand once held, that "Nobody owes any public duty to pay more than the law demands."

Mutuals are paying what the law demands; and that is why, I imagine, legislation has been introduced in Congress to get the law changed.

If the recent precedent of the insurance tax revision, finally enacted in 1959, stands, there will be many revisions, variations, and versions if and when the next Congress gets to the matter. Proposed bills will be thoroughly reviewed by both the Joint Committee on Internal Revenue Taxation and by the Treasury's tax analyst staff; by tax economists for the Savings and Loan League, for the National Association of Mutual Savings Banks, and for the American Bankers Association. One would be foolhardy indeed to attempt to predict what kind of compromise will emerge, or when, if at all.

Time Deposits Edged Higher

While inequity clearly exists and it is useful to focus attention on it, extremists on both sides are likely to be disappointed. Tax revision will not ruin the mutuals; it will not reduce savings and cause inflation, as has been direly predicted. It may not even divert the flow of savings significantly, if at all, because other factors in savings competition among institutions appear as significant as the tax factor. For example, over the decade 1949-59, commercial bank time deposits rose 83%, while mutual savings bank deposits rose 81%. That is, the relatively heavily taxed commercial banks had a slightly higher rate of increase in time deposits than did the very lightly taxed mutual savings banks.

The 336% increase in the savings and loan association accounts may have been due more to heavier promotion and to the higher dividend rates they pay. That the tax factor is one element in their ability to pay higher dividends is clear, but it is not the only factor. They are not limited by rate ceilings imposed by supervisory authorities as are most other financial institutions. Also savings and loan associations can and do pay more because they earn more, and they earn more because they invest almost 100% of their savings accounts in high rate, long term mortgage loans. The legal loan-to-value ratio on noninsured residential mortgages is higher for loan associations than for banks. Similarly, the permissible maximum maturity of bank mortgages (except insured mortgages) has been substantially less than for savings and loan associations. In general, in the residential mortgage field, banks face a more restrictive legal environment than do mutual thrift associations.

Blames Cautious Liquidity and Investment Policies

But part of the difficulty, both in the legislative enactments as well as in the actual investing policy itself, is the carryover of the all-pervasion liquidity concept from demand deposits to time deposits. In the minds of both legislative authorities and bank investment officers, there is little or no attempt to differentiate between investment policy for demand deposits as against investment policy for savings accounts. Even in the field of mortgage investment, the extreme caution developed in handling demand deposits carries over. Banks seek the insured, as compared to the conventional mortgage loans. Among the latter they take only the preferred risks and therefore charge lower rates. Thus, even on a given volume of conventional mortgages, the savings and loan associations earn more. The evidence clearly indicates that the loan associations concentrate more in the higher yielding, and therefore, more risky segments of the mortgage market. Thus investment policy plays a significant part in the competitive ability of savings and loan associations and, in the current preoccupation over tax policy, should not be overlooked or forgotten.

A banker wrote me a few weeks ago. He said, "We hope Congress will do something about tax equality in 1961. If this is not done, the American banks will play a minor role in the savings field." An analysis of his June, 1960, statement showed 47% of his deposits invested in U. S. Government securities and U. S. Government guaranteed loans. No wonder he finds it difficult to compete for savings. Even after tax revision he will still find it difficult!

Credits S & L Assns' Gains to Promotion

What else has been responsible for the very rapid gains of the savings and loan associations? Part of the answer can be summed up in one word — "promotion." With singlemindedness of purpose and concentration on one objective, the associations have pounded away at inducing people to place savings with them. Their whole staff, their entire advertising budget, their full energies have been devoted to this one objective.

They have not hesitated to use promotional techniques which are drawn more from the merchandising than from the financial world. Gimimcks, give - aways, direct mail, advertising allowances, every technique that Madison Avenue ever developed has been used. All associations have used some of the techniques. Some of the associations have used all of the techniques. For example, in one recent issue of the Sunday *New York Times*, 15 savings and loan advertisements appeared in the financial section. Ten were for individual associations, and five were for brokers who receive an alowance from the associations for savings directed to them. Several associations offered free gifts to new savers. Several offered to pay airmail both ways. All stressed the insurance feature, one going so far as to declare: "Savings Insured by a Government Agency Located between the White House and the State Department." All stressed 4½% dividends. One advertised "20 free dividend days." Another offered "a gift brochure." One advertised the "world's highest earnings." Another advertised "4½% paid eight times a year," stressing the "dividends paid eight times a year."

Banks Accused of Neglecting Savings Business

In the face of this kind of competition, what have the banks done? Are not savings deposits regarded matter-of-factly by commercial banks? Does any important officer usually have this function as his full-time assignment? Does the average bank do much to compete for savings?

Quite properly, commercial banks devote their best talent to the quest for commercial loans; but in many, if not most, cases there isn't even a second team handling the savings business. In the average bank this is the neglected stepchild.

Within each bank there needs to be developed a virtually autonomous savings organization. There is need for a separate department, headed by a vice-president, who is equally aggressive and equally adept at merchandising, and paid equally as well as the head of the competing loan association. Furthermore, he must be freed from the shackles of the conventional commercial banking view and be allowed to develop

campaigns as effective as those of competing savings institutions.

Finds Operating Expenses Are Not Higher

The usual view that commercial banks have a much higher ratio of operating expenses to deposits than do mutual thrift institutions is a mistaken and misleading one. No doubt, the operating expense ratio overall for commercial banks is higher; but this is due mainly to the many and costly services performed by commercial banks for their demand depositors. Seldom, if ever, are such services required for savings depositors. One recent study concluded: "Commercial banks are at no competitive disadvantages with SLA in rate competition for savings as far as costs are concerned. They are at a disadvantage, however, because of their lower earnings on mortgages; a smaller percentage of savings deposits in mortgages; and, possibly, the preferential tax treatment for SLA."

Apart from seeking necessary legislative changes, commercial banks ought to handle the investment of their savings funds apart from other deposits and not be tied by the same overriding principle of liquidity which governs demand deposits. Savings funds should be invested in higher yielding consumer loans, term loans to business, and placed in mortgage investments more on a par with practices of the savings and loan associations. Not only will a higher rate of return on savings funds result, but more savers will be attracted to commercial banks since both consumer loans and residential mortgage funds, the two basic services which middle-income savers seek, will be more readily available.

Suggests Savings Subsidiaries

Perhaps one way of handling the whole problem, of dealing with both legislative restraints and inappropriate banking practice, would be to seek authority to establish savings subsidiaries. Since savings banks are now seeking national chartering, why should not commercial banks seek legislative authority to charter savings subsidiaries? Such subsidiaries should be permitted to pay interest at rates paid by Federal savings and loan associations; they should be allowed to place funds in mortgages under restraints no greater than those imposed on Federal savings and loan associations. They should be taxed in the exact same fashion as are other savings institutions. They should be permitted to make consumer loans, term loans to business, and loans to the commercial banking parent, as well as mortgage loans and investments in securities under the Prudent-Man Rule.

Thus there is a variety of ways in which commercial banks, both by legislative drives and by their own financial and investment policies, can meet the price competition of other types of savings institutions. In the field of product competition, the commercial banks can afford to take a vigorous offensive, for if they can narrow the rate gap, they have a much better product to sell.

Criticizes Cheapness of Gift Offers

A real product advantage which commercial banks have lies in their diversity of services. In fact, commercial bank savings accounts could be readily differentiated from all other savings elsewhere by imaginative tie-ins and merchandising techniques that few banks use as yet. For example, instead of offering cheap gifts for new savings accounts, a commercial bank could offer five or ten free checks in a special checking account for a new savings account. Or a savings account holder could automatically be given a line of credit for personal loans up to say twice or three times the amount of his or her savings account. He might never use such a line of credit; but the fact that it existed, that it was something obtained with his savings account, might lead him to prefer to save at a commercial bank rather than elsewhere. Or several free cashier's checks, or bank money orders, per month to transfer funds might be offered to all savings account holders with certain minimum balances. Or automatic enrollment in the revolving charge-credit plan of the bank might be offered as the inducement to open and maintain a savings account. The considerable variety of merchandising plans which a commercial bank could offer, of this type, to attract savings accounts would provide a retail merchandiser with tempting opportunities. All it would take is a little imagination, a little more than is now being exercised, as well as some one, other than a teller, in authority in savings. Imagination, drive and authority could invigorate savings competition for commercial banks.

With a GNP of a little over $500 billion, Americans are setting aside some $24 billion a year in personal savings. By 1970, out of an estimated GNP of $800 billion, annual personal savings should total $40 billion. Thus bankers will be competing for an ever larger, growing, annual savings volume. To maintain the old share of last year's pie isn't enough. What bankers should be seeking is a larger share of a much bigger pie. With energy and ingenuity, I am sure bankers can get it.

*An address by Dr. Cohen before the Annual Meeting of the Savings and Mortgage Division of the ABA, New York City, Sept. 19, 1960.

Two With Draper, Sears

(Special to The Financial Chronicle)

BOSTON, Mass.—Harold R. Baird and Henry J. Stringer, Jr. have become associated with Draper, Sears & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. Mr. Baird was formerly with du Pont, Homsey & Company and prior thereto conducted his own investment business. Mr. Stringer was previously with Richard J. Buck & Co.

Garfield to Admit

Garfield & Co., 452 Fifth Avenue, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Eugene Greenberger and Sam A. Greenberger to partnership.

Questions and Answers While Visiting Europe

By Roger W. Babson

Continuing his European tour, Mr. Babson asks and receives frank answers to his questions on a wide variety of topics. One response said it was risky to buy foreign stocks unless one knows the corporation officers and understands why the owners are selling. Another revealed the tremendous interest European nations have in underdeveloped countries' natural resources.

BARCELONA, Spain.—During the weeks I have been in Europe, I have constantly asked questions. I have talked with all kinds of people from taxidrivers to ambassadors. Let me add that the U. S. Embassies everywhere have been very kind and patient with me, as they are with all Americans who call upon them.

Questions and Answers

The first question I always ask is: "Do you expect World War III?" The answer, almost unanimously: "Yes, but not for 10 or 20 years." Furthermore, most expect that it would be started by China.

"Will it be an atomic war?" Most people replied "Probably"; but some feel that by that time there will be some sure defense against atomic bombs.

"Will Cuba be Communist?" "Yes, but there are many breeds of Communism as there are denominations of Protestantism."

"If Russia attempts to go too far in Latin America will the U. S. enforce the Monroe Doctrine?" Answer: "Yes."

"Does Mr. K truly want a reduction in armaments?" "Yes, because to hold his power he must constantly improve Russia's standard-of-living. To do this, Mr. K must spend less on armaments."

"Could Europe possibly remain neutral in the event of war between Russia and the U. S.?" "Yes, in view of the new weapons which may then be available."

"Are you European people interested in 'space travel' and going to the moon?" Answer: "Not so much as you are in America. We have trouble enough on this earth without seeking more."

Interest in Natural Resources

"What about Africa and undeveloped nations in other areas?" "European nations are interested in every part of the world where there are natural resources of minerals, oil, gas, water, and sunshine."

"How do Europeans feel about inflation?" "Everyone looks upon inflation as dangerous. It is very harmful for all who have savings in banks, insurance policies, or annuities."

"Have any Europeans benefited from inflation?" "Yes, those few who held mortgaged real estate and the gold to repay these mortgages. Those who held unmortgaged real estate profited provided they had the gold or its equivalent to pay the taxes."

"In what are careful Europeans now investing. "In rented or producing property away from possible Communist seizure. Such real estate is constantly increasing in value.

"What about utilities as investments in Europe?" Answer: "Since most of the utilities are owned by municipalities or the state, they offer practically no investment possibilities."

"How are personal taxes in Europe?" "The European people think they are high due to state welfare projects. But I am inclined to believe the U. S. has the highest taxes in the world."

"What about unemployment in Europe?" "With the exception of West Germany, Italy, Switzerland, and one or two other countries there is much unemployment."

"What about wages?" "Both wages and cost-of-living are low in Europe. Probably Spain has the poorest record."

Riskiness in Buying Foreign Stocks

"Is it safe for American manufacturers and investors to buy stocks of West German, Italian, or French corporations?" Answer: "Most of these are making money, but it is risky to buy such stocks unless one knows the corporation officers and understands why the owners are selling. There is no 'Dun & Bradstreet' in these countries, no 'Securities & Exchange Commission.' "

"What about the American election in November?" "The feeling is that Kennedy will be elected, although the people with property say they would vote for Nixon. Some believe that if Kennedy is elected, his father will try to back the biggest boom in U. S. history with the Dow-Jones Industrial Average going to 800."

Conclusion: When we visit these old churches and palaces we forget that Europe's experience with democracy is much shorter than ours. This is especially true of corporation finance—with the exception of the insurance, banking, and shipping companies of Great Britain. Even these investors put most of their money in the United States. The U. S. railroads and large Western cities were built by English money.

Mitchum, Jones To Admit Partners

LOS ANGELES, Calif.—Mitchum, Jones & Templeton, 650 South Spring Street, members of the New York and Pacific Coast Stock Exchanges, on Oct. 6 will admit William Ridgway, John B. Callery, Jr. and Richard C. Secord to partnership.

With Spencer Trask

(Special to The Financial Chronicle)

CHICAGO, Ill.—James E. Hicks is now affiliated with Spencer Trask & Co., 135 South La Salle Street.

Named Directors

BELOIT, Wisc.—Warner Electric Brake & Clutch Company has announced the election to its Board of Directors of Angus L. Hunking, managing director of Westool Ltd., of Bishop Auckland, Warner Electric's English licensee, and Robert M. Clark, partner in Blunt Ellis & Simmons, of Chicago.

American Bankers Assn. Holds Annual Convention

Continued from page 1

dent, Lincoln Rochester Trust Co., Rochtester, New York, said the Committee on Uniform Tax Treatment will serve as coordinator of research, educational, and other activities of various ABA units in the income tax field.

Federal laws and regulations provide differing tax treatment of the income of commercial banks on the one hand and of savings and loan associations and mutual savings banks on the other hand. As a result, commercial banks pay substantial Federal income taxes while the two types of mutual financial institutions pay relatively little Federal income tax.

The ABA for several years has advocated legislation in the U. S. Congress based on the principle of uniform treatment of the three types of institutions.

New President's Remarks of Acceptance

Upon his inauguration as President of the American Bankers Association at the second general session, Sept. 21, Mr. Bimson stated:

"To be chosen as president of the American Bankers Association is an honor which no one could have bestowed upon him without a feeling of deepest gratitude. . . .

"A relatively few months ago financial writers were talking about the dynamic Sixties. Today, in many quarters, there is a feeling of uncertainty, but this is usually the case in a Presidential election year.

"Regardless of any slowing down in certain segments of our economy, we are in a period of revolutionary change—one which will create new problems that will tax our ingenuity and our capabilities.

Banking Is Challenged

"For this reason, it is also a period of challenge—a period of opportunity and one which can and should be a period of accomplishment for American banking.

"One of the most challenging problems confronting banking right now — and one which will become increasingly acute—is that of management succession.

"Our manpower needs — especially in the field of management and supervision—are almost staggering to contemplate. It is estimated, for example, that during the next 10 years we will have to replace over one-half of our present 110,000 bank officers.

"As startling as these figures may be, they tell only a small part of the real story because they are too general in their implications.

"What is of more importancce is that we apply such a projection to our own manpower needs. Every one of us should take a hard look at our management requirements over the next two to five (or even 10 years) because five years is a comparatively short period in which to train a replacement on our management team.

Finding Qualified Personnel

"Many banks are finding it is already too late to do much about preparing someone within their own organizations to fill a key spot and have no alternative except that of going outside their banks to find a qualified man.

"Further complicating an already acute problem is the fact that our replacements in future years will have to be with men and women who are better trained, in more specialized fields, than we may now contemplate.

"The changing complexion of our communities has already exposed many of you in this room to new demands upon your facilities and services, and you are finding the need for a greater knowledge of businesss practices and operating procedures in areas which may be foreign to your past experience.

"To assist you in this transformation, you have at your disposal the specialized talents and experience of over 1,000 bankers presently serving on ABA committees, chaired by men of outstanding ability in their field.

"The combined experience of these specialists is at your disposal through the ABA office and its staff members. Our staff works closely with the ABA committees in co-ordinating their activities and in the preparation of training manuals, and other informative material, on almost every conceivable subject concerned with banking.

"I cannot urge you too strongly to make use of your association office in the solving of your banking problems so that each of you may be better equipped to do the type of job that will be expected of you in meeting the banking needs of our expanded economy."

Resolutions Adopted

Adopted at the second general session of the American Bankers Association's proceedings of Sept. 21, were the following resolutions:

Monetary and Credit Policies

"This year's events have demonstrated once again the necessity for and the usefulness of flexible monetary and credit policies. The current lull in some lines of business has been accompanied by a prompt shift of Federal Reserve policy to one of moderate ease. The present circumstances require that the monetary authorities be prepared to move quickly in either direction, as changing economic conditions may warrant. Only a monetary management that is free of political domination and unfettered by rigidly doctrinaire views can be fully responsive to the changing needs of the economy. The Federal Reserve System has shown courage and good judgment in meeting those needs, and continues to deserve our wholehearted support.

"If flexible credit policies are to be successful in fostering economic growth, reasonably stable prices and high levels of employment, interest rates must be permitted to respond freely to basic forces in the credit markets. Attempts to maintain artificially any level of interest rates would enormously complicate the already difficult task of achieving sustainable economic growth.

"Important and essential as monetary policy is, we recognize that it has limitations. Inappropriate and untimely fiscal policies and excessive rigidities in costs and prices can greatly reduce its effectiveness. Given sensible policies in these other areas, however, flexible monetary policies make a major contribution to the growth and stability of our economy.

Federal Fiscal Policy

"Sound fiscal policies are essential to the maintenance of economic stability, the prevention of inflation, and the fostering of sustained economic growth. Achievement of these objectives requires Federal tax and expenditure policies that will produce budgetary surpluses and permit debt reduction during periods of high-level business activity in order to offset the deficits that develop in recession periods.

"Fiscal responsibility requires that tax revenues balance outlays over the long run; persistent Treasury deficits will inevitably generate inflationary pressures. There is widespread public opposition to further increases in taxes. In fact, tax revision to encourage private investment is essential if we are to accelerate our rate of economic growth.

"Our national defense obviously requires a high level of expenditures. Therefore, we must prune less essential expenditures from the budget. The voters need to understand that every government activity entails a cost—either in taxes or increased inflationary pressures—that must be measured against the prospective benefits of increased spending.

"In addition, we should avoid large increases in government spending programs at every mild interruption in business activity.

"Sound fiscal policy is not only essential to our domestic well-being, but is also imperative in order to maintain our international economic position and, in particular, if we are to assure confidence in the strength and stability of the American dollar.

Balance of Payments

"We note that the gold outflow is continuing and that the monetary gold stock of the United States has fallen below $19 billion. Despite a sharp rise in exports in the first half of 1960, to near record proportion, the deficit in the balance of payments of the United States is now estimated to be at an annual rate of $3 billion.

"This situation cannot be viewed with complacency. We have not yet come to grips with the discipline of an adverse balance of payments. We cannot afford to drift in the hope that the situation may shortly correct itself.

"Continued attention must be given to the development of effective means of eliminating our large balance of payments deficit.

Consumer Instalment Credit

"A continued flow of sound instalment credit is essential to the vigor, strength and growth of our economy. Commercial banking is the major source of such credit and has been instrumental in establishing standards which have exerted a constructive influence on the consumer credit industry. It is of vital importance, both to the users of instalment credit and to the lenders, that present standards be maintained. Bankers have a responsibility to the public, to their customers, and to themselves, to resist lengthening of maturities, reduction of equities, or downgrading of credit standards.

Taxation of Financial Institutions

"We commend the officers and appropriate committees of the Association for their efforts in seeking the elimination of existing inequities in the taxation of financial institutions. Assistance and support of these continuing efforts are the responsibility of the entire membership of this Association.

Federal Mutual Savings Banks

"The American Bankers Association is opposed in principle to the establishment of a Federally-chartered mutual savings bank system in any form.

Savings Bonds

"The United States Savings Bonds Program, which marks its 20th Anniversary in 1961, has contributed in a major way to the promotion of thrift. It has been a stabilizing influence in the economy, and has helped to build important financial reserves in every American community. Because banks and bankers have been prominently identified with the program's success since the very beginning, it is appropriate on this Anniversary occasion for the American Bankers Association to express its congratulations to the Treasury, and its continued endorsement and support of the Savings Bonds Program.

The Citizen's Duty

"Good government is the responsibility of all our citizens. Again this year we have the opportunity to express our choice by the exercise of one of the greatest privileges our people enjoy—the privilege of voting in a free election. In the past, too many who could have voted have failed to go to the polls and cast their ballots.

"The ballot is the greatest instrument for freedom and human welfare ever invented by man. We who have it must surely use it.

Appreciation

"We extend to John W. Remington, our President, sincere thanks and deep appreciation for his leadership and devotion to the affairs of our Association and the interests of banking. We also thank the other officers and the members who have served during the year on Divisions, Sections, Councils, Commissions, and Committees for their loyalty and zeal and carrying out the activities of the Association.

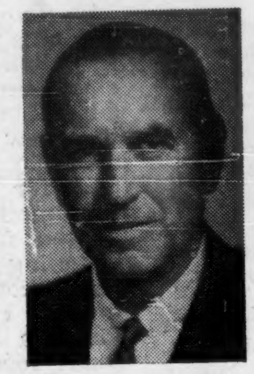
"The American Bankers Association appreciates the hospitality shown by our hosts, the New York Clearing House banks. We are grateful to the press, the hotels, and all others who have contributed so much to the success of this convention."

New Top ABA Officers

President

Carl A. Bimson

Vice-President



Sam M. Fleming

Treasurer

I. F. Betts

Background of ABA's Top Officers

CARL A. BIMSON

President, American Bankers Association

Carl A. Bimson, President of the Valley National Bank, Phoenix, Arizona, was born in Berthoud, Colorado, March 15, 1900, and attended Colorado A. & M. College (now Colorado State University). After leaving college, he was employed by the Mountain States Telephone & Telegraph Company in Denver from 1924 to 1930. He was later active in property management and real estate sales until 1933.

Mr. Bimson entered banking in 1933 when he joined the staff of the Valley National Bank, Phoenix, Arizona. From 1934 to 1936 he was on loan to the Federal Government as manager of financial relations for the Federal Housing Administration in Arizona. In 1939 he became Assistant Vice-President of the bank; in 1940 Vice-President; in 1941 a Director; in 1947 Senior Vice-President. He advanced to Executive Vice-President in 1949 and to President in 1953.

Mr. Bimson is a past President of the Arizona Bankers Association and the Phoenix Clearing House Association. Aside from serving as President in 1952, he has also held numerous other posts in the Arizona Bankers Association. He was Vice-President of the Financial Public Relations Association in 1952-53, and a Director from 1953 to 1957.

In the American Bankers Association, he was a member of the Consumer Credit Committee (now the Instalment Credit Commission) from 1947 to 1950 and Chairman of the Instalment Credit Commission from 1955 to 1958; a member of the Credit Policy Commission from 1955 to 1958; a member of the Small Business Credit Commission in 1958-59; and Vice-President of the Association in 1959-60. He was elected President of the ABA at the 86th Annual Convention in New York, September 20, 1960.

His outside business interests include being assistant Secretary and member of the Executive Committee of the Valley National Company-Insurance, President of the Valley National Building Corporation, and Vice-President and Director of the Arizona Bancorporation.

His civic interests include posts as Vice-President, Director, and member of the Executive Committee of the Phoenix Metropolitan Y. M. C. A.; Director and member of the Executive Committee of the Maricopa Chapter of the American Red Cross; and member of Kiwanis International, the Phoenix Chamber of Commerce, and the Phoenix Thunderbirds.

He was made an Honorary State Farmer by the Future Farmers of America in 1952.

Mr. Bimson has served as a Director of the Retail Credit Men's National Association; District Governor for the National Association of Better Business Bureaus; member of the Finance Committee of the U. S. Chamber of Commerce and Chairman of its subcommittee on credit unions; and one of the original members of the Westinghouse Electric Corporation Banker Advisory Council.

Mr. Bimson is married and makes his home with his wife, Irene M., to 1254 East Thomas Road, Phoenix.

SAM M. FLEMING

Vice-President, American Bankers Association

Sam M. Fleming, President of the Third National Bank, Nashville, Tenn., was born in Franklin,

Tenn., April 29, 1908, and is a graduate of Vanderbilt University, Class of 1928.

He began his banking career that same year with the New York Trust Company, New York City. In 1931 he jointed the Third National Bank, Nashville, Tenn., as manager of the credit department. He was elected President of the bank in 1950.

Mr. Fleming has held a series of committee and division posts in the American Bankers Association. He was President of the National Bank Division in 1956-57. Previously, he served as Division Vice-President, member of its Executive Committee, Chairman of the Research and Operations Committee, and member of the Real Estate Loans Committee. He has been a member of the Commission for the Observance of the 100th Anniversary of the National Banking System. He was elected Vice-President of the ABA at the 86th Annual Convention in New York, Sept. 20, 1960.

He also has been active in the Tennessee Bankers Association, the Association of Reserve City Bankers, and Robert Morris Associates, of which he is a life member. A Director of the Association of Reserve City Bankers, 1957-1960, he was Chairman of the Association's Federal Relationships Committee in 1959-1960.

Mr. Fleming is a Director of the Third National Company, Nashville; Williamson County Bank, Franklin, Tenn.; and of numerous corporations including Louisville & Nashville Railroad Company, Hillsboro Enterprises, Inc., and Bucyrus-Erie Company. He served a three-year term as Director of the Nashville Branch of the Federal Reserve Bank at Atlanta. He also is Director and member of Executive Committee, Nashville United Givers Fund; Director and Vice-President, Youth Incorporated; member, Executive Council Boy Scouts of America; member, State of Tennessee Civil War Centennial Commission; Treasurer, Tennessee Historical Society; regional Vice-Chairman, National Fund for Medical Education; and Director, Old Woman's Home and Junior Achievement, Nashville. A past President of the Vanderbilt Alumni Association, Mr. Fleming is a Trustee and member of the Finance, Executive, and Hospital Committees of the University; Trustee and member of the Finance Committee of Meharry Medical College. He is also Trustee of Battle Ground Academy, Franklin, Tenn., and of Ensworth School and Harpeth Hall School, Nashville.

He served three years as a naval officer in World War II, attaining the rank of Lieutenant Commander.

His club memberships include Belle Meade Country Club, Nashville; Augusta National Golf Club, Augusta, Ga.; City Club, Dallas, Texas; University Club, New York City; and Newcomen Society of North America.

Mr. Fleming married the former Josephine Cliffe of Franklin, Tenn. They have a daughter and a son, and reside in Nashville.

I. F. BETTS

Treasurer, American Bankers Association

I. F. Betts, President of The American National Bank of Beaumont, Texas, was born December, 5, 1897, in Thomasville, Ala. He holds a B.A. degree from Southern Methodist University and was graduated from The Stonier Graduate School of Banking conducted by the American Bankers Association at Rutgers—The State University, New Brunswick, N. J. He is permanent President of the S.G.S.B. class of 1941.

Mr. Betts began his banking career in 1922 with the Federal Reserve Bank of Dallas, where he became Chief Bank Examiner. From 1939 to 1947 he was Vice-President of the Continental-American Bank and Trust Company, Shreveport, La. He has been President of The American National Bank of Beaumont since 1947. He was formerly a Director of the Houston branch of the Federal Reserve Bank of Dallas and is currently a member of the Federal Advisory Council to the Board of Governors of the Federal Reserve System.

He has been active in the Texas Bankers Association, including being Chairman of District 1. In the American Bankers Association, Mr. Betts was a member of the Bank Management Commission from 1942 to 1945; served as Vice-President for Texas on the Organization Committee in 1948-49 and regional Vice-President on the Organization Committee in 1949-50. He served a three-year term on the Executive Council in 1950-53. He was elected Treasurer of the ABA at a meeting of the Association's Executive Council held at the close of the ABA's 85th Annual Convention in Miami Beach on Oct. 28, 1959; he was re-elected for a second year at the meeting of the Executive Council held at the close of the 86th Annual Convention in New York on Sept. 21, 1960.

Mr. Betts is a Director or member of the Board of Trustees of the Midwestern Insurance Co., Tulsa, Okla.; Southern Methodist University; Texas Research League, Austin; Texas Bureau for Economic Understanding, Dallas; Medical Research Foundation of Texas; Texas United Fund, and Young Men's Christian Association of Beaumont. He was for six years a Director of the Chamber of Commerce of the United States (and chairman of the national Chamber's Committee on Government Expenditures).

He served two terms as President of United Appeals of Beaumont and North Jefferson County. For six years he was on the Board of Directors of the Beaumont Chamber of Commerce and for two years was President of that organization. He was a member of the Board of Directors and Treasurer of the Spindletop Fiftieth Anniversary Commission. He is a member of the Board of Directors of the Downtown Beaumont Rotary Club and was President of the Town Club of Beaumont in 1953.

Mr. Betts is married, has one daughter, and makes his home in Beaumont.

NEW DIVISION HEADS

Newly elected Presidents of the ABA Divisions and the State Association Section are as follows:

National Bank Division

President: Ben H. Wooten, Chairman of the Board, First National Bank in Dallas, Texas.

Savings Division

President: Gaylord A. Freeman, Jr., President of the First National Bank of Chicago, Ill.

State Bank Division

President: Roland L. Adams, President of the Bank of York, Ala.

Trust Division

President: Robert R. Duncan, Chairman of the Board, Harvard Trust Co., Cambridge, Mass.

State Association Section

President: William K. Mendenhall, Executive Vice-President of the New Jersey Bankers Association, Princeton, N. J.

Ed. Note: The President of the newly formed *Mortgage Division* has not as yet been anounced. This was formerly part of the *Savings and Mortgage Division.*

ABA Will Convene in San Francisco in 1961 and Atlantic City in 1962

The American Bankers Association will convene in San Francisco in 1961 and in Atlantic City, N. J., in 1962, it was announced by Carl A. Bimson, newly elected President.

Head ABA Divisions and State Assn. Section

Ben H. Wooten

Ben H. Wooten is newly elected President of ABA's *National Bank Division;* Gaylord A. Freeman, Jr., President of *Savings Division;* Roland L. Adams, President of *State Bank Division;* Robert R. Duncan, President of *Trust Division;* and William K. Mendenhall is head of the *State Association Section.* The President of the new *Mortgage Division,* which was created this year via separation of the former *Savings and Mortgage Division,* has not as yet been announced.

G. A. Freeman, Jr.

Roland L. Adams

Robert R. Duncan

W. K. Mendenhall

The 1961 convention, with San Francisco bankers serving as hosts, will be held Oct. 15-18. The ABA has met in San Francisco on five previous occasions, most recently in 1949.

Appropriate convention committees for the 1961 gathering will be organized and announced to the ABA membership later.

Mr. Bimson said that bankers in the Atlantic City area are making plans for the 1962 convention at which they will serve as hosts. The dates will be Sept. 23-26.

Engineering Firms Stock Marketed

Sandkuhl & Co., Inc., offered on Sept. 27 85,000 shares of Edwards Engineering Corp. common stock at a price of $3.50 per share.

Of the total number of shares offered, 70,000 shares are being sold on behalf of the company and 15,000 shares for certain selling stockholders.

The company intends to use the net proceeds from the sale of its shares for various corporate purposes, including research and development of new products, expansion and improvement of operations, and moving to a modern main office building, its shop and warehousing facilities. The balance of the proceeds will be added to working capital and used for general corporate purposes, which may include extension of credit to customers and expansion of warehousing and stocking of inventories of parts for the company's products.

Edwards Engineering Corp., incorporated in Louisiana on May 2, 1949, is the successor to the business of Joseph N. Edwards Co., which was founded in 1942. Its main office and plant are located in New Orleans, La. The company is engaged principally in the design, assembly, installation and testing of hydraulic equipment, particularly of the Edwards Hydraulic System for sugar mills, but also hydraulic equipment of general industrial types. The company also provides, upon request, engineering services for specialized work in hydraulic applications.

For the 11 months ended April 30, 1960, the company had total operating income of $504,534, compared with $496,038 in the like period of last year. Upon completion of the current financing, outstanding capitalization of the company will consist of 172,000 shares of common stock, $1 par value, and 30,000 stock purchase warrants for common stock.

New York Analysts Management Forum

The New York Society of Security Analysts will hold a management forum on Wednesday, Sept. 28, at the group's headquarters, 15 William Street. Speakers will be Paul Endacott, Stanley Learned, W. W. Keeler, John M. Houchin, and K. S. Adams, all of Phillips Petroleum Company.

Tariff for the meeting is $7.

Joins First Maine

(Special to The Financial Chronicle)

PORTLAND, Maine — Earl Brand has joined the staff of First Maine Corporation, 84 Exchange Street.

S. A. Lowe Co. Opens

FOREST HILLS, N. Y. — S. A. Lowe & Co., Inc. is engaging in a securities business from offices at 69-39 Yellowstone Boulevard.

Twin City Invest. Women Elect

MINNEAPOLIS, Minn. — The Twin City Investment Women's Club held its Annual Meeting Wednesday, Sept. 21, 1960, at the Midway Motor Lodge in St. Paul and the following officers were elected for 1960-1961:

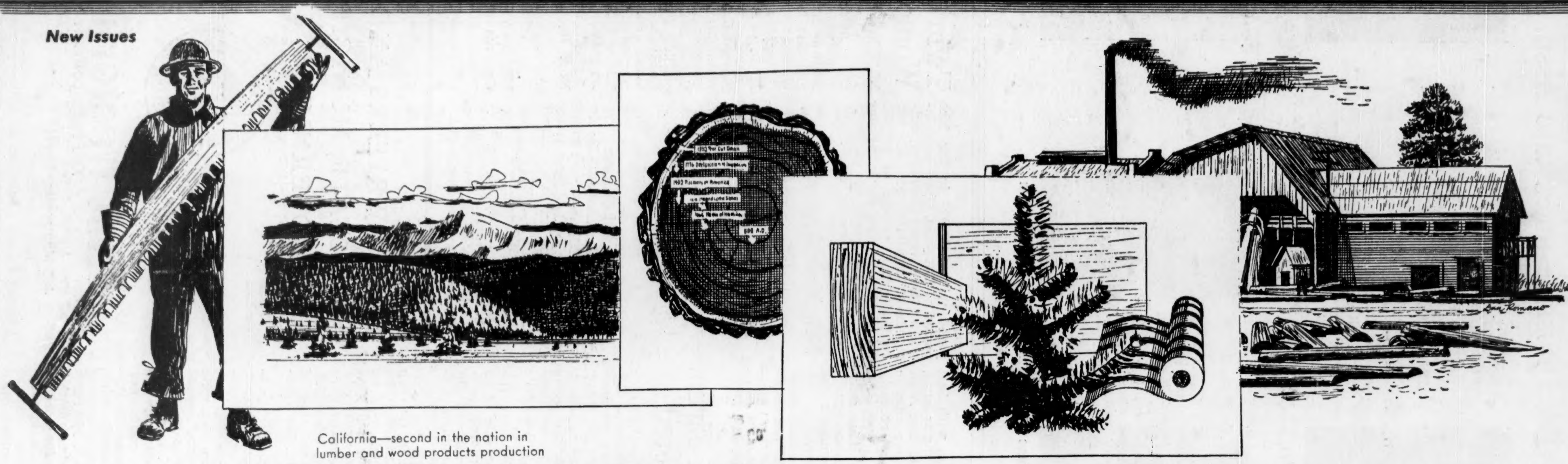
President: Mrs. Virginia W. Fox, Midland National Bank of Minneapolis; Vice-President: Miss Edna Kleve, State Board of Investment, St. Paul; Treasurer: Miss Dorothy A. Monsen, First National Bank of Minneapolis; Recording Secretary: Miss Kathleen Gallivan, Piper, Jaffray & Hopwood, St. Paul; Corresponding Secretary: Mrs. Mary J. Culp, Midland National Bank of Minneapolis.

The next meeting will be held Nov. 16, 1960.

New Bache Branch

HACKENSACK, N. J.—Bache & Co. has opened an office at 6 Passaic Street under the direction of Joseph F. Rubacky.

New Issues



California—second in the nation in lumber and wood products production

$75,000,000 State of California

5%, 3¼%, 3½%, 3¾% and 4% VETERANS' AND STATE SCHOOL BUILDING AID BONDS

ISSUES, AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

$50,000,000
Veterans' Bonds
Act of 1958, Series Z

Dated: Aug. 1, 1960
Due: April 1, 1962-86, incl.

$25,000,000
State School Building Aid Bonds
Law of 1958, Series X

Dated: Sept. 1, 1960
Due: Sept. 1, 1962-86, incl.

$50,000,000 Veterans' Bonds	$25,000,000 School Bonds	Coupon Rate	Due	Yield or Price†
$1,300,000	$ 800,000	5%	1962	2.00%
1,300,000	800,000	5	1963	2.25%
1,300,000	800,000	5	1964	2.50%
1,500,000	800,000	5	1965	2.70%
1,500,000	800,000	5	1966	2.85%
1,500,000	900,000	5	1967	2.95%
1,600,000	900,000	3¼	1968	3.05%
1,600,000	900,000	3¼	1969	3.15%
1,600,000	900,000	3¼	1970	100
1,700,000	900,000	3¼	1971	3.35%
1,700,000	1,000,000	3½	1972	3.45%
1,700,000	1,000,000	3½	1973	100
2,000,000	1,000,000	3½	1974	100
2,000,000	1,000,000	3½	1975	3.55%
2,000,000	1,000,000	3½	1976	3.60%
2,300,000	1,100,000	3¾	1977	3.65%
2,300,000	1,100,000	3¾	1978	3.70%
2,300,000	1,100,000	3¾	1979	100
2,500,000	1,100,000	3¾	1980	100
2,500,000	1,100,000	3¾	1981	3.80%
2,500,000*	1,200,000‡	3¾	1982	3.85%
2,800,000*	1,200,000‡	4	1983	101⅜
2,800,000*	1,200,000‡	4	1984	101⅜
2,800,000*	1,200,000‡	4	1985	101⅜
2,900,000*	1,200,000‡	4	1986	101⅜

†Yield to maturity.

Payment and Registration

Principal and semi-annual interest (April 1 and October 1 for the Veterans' Bonds and March 1 and September 1 for the State School Building Aid Bonds) payable, at the option of the holder, at the office of the Treasurer of the State of California in Sacramento, California, or at the office of any duly authorized agent of the State Treasurer, including the agent of the State Treasurer in New York, N. Y. First coupon on the Veterans' Bonds payable April 1, 1961. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

Redemption Provision

Veterans' Bonds maturing on and after April 1, 1982, are subject to redemption at the option of the State, as a whole or in part, on April 1, 1981, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. State School Building Aid Bonds maturing on and after September 1, 1982, are subject to redemption at the option of the State, as a whole or in part, on September 1, 1981, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Publication of notice of redemption shall be once a week for two successive weeks not less than 30 days nor more than 90 days prior to said date of redemption, in each of the Cities of San Francisco, Sacramento and Los Angeles, California. If less than all of the bonds should be redeemed, they shall be called in inverse numerical order, the part so called not less than all the bonds maturing in any one year.

Tax Exemption

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment

We believe these bonds will meet the requirements as legal investments for savings banks and trust funds in New York, California and certain other states and for savings banks in Massachusetts and Connecticut and will be eligible as security for deposits of public moneys in California.

Purpose and Security

Veterans' Bonds, issued under the Veterans' Bond Act of 1958 (Article 5g, Chapter 6, Division 4, Military and Veterans Code) for Veterans purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the Veterans' Bond Act of 1958 out of the General Fund of the State. The full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. The bonds were authorized by the electorate on November 4, 1958, for the purpose of assisting California war veterans to acquire farms and homes, the cost of which must be repaid to the State on an amortized purchase basis.

State School Building Aid Bonds, issued under provisions of State School Building Aid Bond Law of 1958 (Statutes First Extraordinary Session 1958, Chapter 98) and Section 19 of Article XVI of the Constitution of the State of California for school purposes, in the opinion of counsel are valid and legally binding general obligations of the State of California payable in accordance with their terms out of the General Fund of the State and the full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. Under the enabling statute the State is obligated to collect annually, in the same manner and at the same time as other state revenue is collected, such sum in addition to the ordinary revenue of the State as shall be required to pay principal and interest on the bonds as the same become due. The bonds were authorized by the electorate on November 4, 1958, for the purpose of providing aid for school construction in the State, the amounts thereof to be repaid, in whole or in part by the districts receiving aid.

Tax Gain, Amortization of Premium

2,800,000*	1,200,000‡	4	1984	101⅜
2,800,000*	1,200,000‡	4	1985	101⅜
2,900,000*	1,200,000‡	4	1986	101⅜

†Yield to maturity.
*Veterans' Bonds maturing 1982-86, incl., subject to call at par, plus accrued interest on and after April 1, 1981, as described herein.
‡State School Building Aid Bonds maturing 1982-86, incl., subject to call at par plus accrued interest, on and after September 1, 1981, as described herein.

be required to pay principal and interest on the bonds as the same become due. The bonds were authorized by the electorate on November 4, 1958, for the purpose of providing aid for school construction in the State, the amounts thereof to be repaid, in whole or in part by the districts receiving aid.

Tax Gain, Amortization of Premium

These bonds will be initially issued by the State of California at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

Legal Opinion

These bonds are offered when, as and if issued and received by the underwriters listed below, as well as other underwriters not shown whose names will be furnished on request, and subject to approval of legality by The Honorable Stanley Mosk, Attorney General of the State of California, and by Messrs. Orrick, Dahlquist, Herrington & Sutcliffe, Attorneys, San Francisco, California.

Bank of America N. T. & S. A. — Bankers Trust Company — The Chase Manhattan Bank — The First National City Bank of New York — The First National Bank of Chicago — Halsey, Stuart & Co. Inc. — Blyth & Co., Inc. — The First Boston Corporation

Harriman Ripley & Co. Incorporated — Harris Trust and Savings Bank — Smith, Barney & Co. — Wells Fargo Bank American Trust Company — Security First National Bank — California Bank Los Angeles — Drexel & Co. — Glore, Forgan & Co.

Chemical Bank New York Trust Company — C. J. Devine & Co. — Continental Illinois National Bank and Trust Company of Chicago — The Northern Trust Company — Crocker-Anglo National Bank — R. H. Moulton & Company — Goldman, Sachs & Co. — Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co. — Bear, Stearns & Co. — Merrill Lynch, Pierce, Fenner & Smith Incorporated — Dean Witter & Co. — White, Weld & Co. — Blair & Co. Incorporated — Weeden & Co. Incorporated — The First National Bank of Boston

The First National Bank of Oregon — The Philadelphia National Bank — Seattle-First National Bank — Equitable Securities Corporation — Stone & Webster Securities Corporation — Phelps, Fenn & Co. — Salomon Bros. & Hutzler — R. W. Pressprich & Co.

Paine, Webber, Jackson & Curtis — Mercantile Trust Company — Shields & Company — Reynolds & Co. — J. Barth & Co. — Ladenburg, Thalmann & Co. — John Nuveen & Co. (Incorporated) — William R. Staats & Co. — Hornblower & Weeks

Wertheim & Co. — Hayden, Stone & Co. — A. C. Allyn and Company Incorporated — First Western Bank and Trust Company San Francisco, Calif. — E. F. Hutton & Company — Carl M. Loeb, Rhoades & Co. — American Securities Corporation

James A. Andrews & Co. Incorporated — Bache & Co. — Bacon, Whipple & Co. — A. G. Becker & Co. Incorporated — Branch Banking & Trust Company — Braun, Bosworth & Co. Incorporated — Alex. Brown & Sons — Clark, Dodge & Co. Incorporated — Dick & Merle-Smith

Dominick & Dominick — Fidelity Union Trust Company Newark, N. J. — First of Michigan Corporation — Gregory & Sons — Hallgarten & Co. — Hemphill, Noyes & Co. — W. E. Hutton & Co. — Laidlaw & Co. — Lee Higginson Corporation

W. H. Morton & Co. Incorporated — F. S. Moseley & Co. — National State Bank of Newark — Roosevelt & Cross Incorporated — L. F. Rothschild & Co. — Shearson, Hammill & Co. — Stone & Youngberg — Stroud & Company Incorporated — Taylor and Company

B. J. Van Ingen & Co. Inc. — Adams, McEntee & Co., Inc. — Barr Brothers & Co. — J. C. Bradford & Co. — Coffin & Burr Incorporated — F. W. Craigie & Co. — Francis I. duPont & Co. — Estabrook & Co.

First Southwest Company — Fitzpatrick, Sullivan & Co. — Ira Haupt & Co. — Kean, Taylor & Co. — The Marine Trust Company of Western New York — The National City Bank of Cleveland — Wm. E. Pollock & Co., Inc. — Trust Company of Georgia

Tucker, Anthony & R. L. Day — Wachovia Bank and Trust Company — G. H. Walker & Co. — Wood, Struthers & Co. — Anderson & Strudwick — Bacon, Stevenson & Co. — Baker, Watts & Co. — Baxter & Company

City National Bank & Trust Company Kansas City, Mo. — Commerce Trust Company Kansas City, Mo. — Dempsey-Tegeler & Co. — R. S. Dickson & Company Incorporated — A. G. Edwards & Sons — Eldredge & Co. Incorporated — First National Bank in Dallas — Geo. B. Gibbons & Company Incorporated

Goodbody & Co. — Hirsch & Co. — J. A. Hogle & Co. — The Illinois Company Incorporated — A. M. Kidder & Co., Inc. — Lawson, Levy, Williams & Stern — Irving Lundborg & Co. — Mason-Hagan, Inc. — Mercantile-Safe Deposit and Trust Company

Rand & Co. — Republic National Bank of Dallas — Schwabacher & Co. — Shuman, Agnew & Co. — F. S. Smithers & Co. — Stern Brothers & Co. — Spencer Trask & Co. — Chas. E. Weigold & Co. Incorporated — J. C. Wheat & Co. — Robert W. Baird & Co.

William Blair & Company — Blunt Ellis & Simmons — Bramhall, Falion & Co., Inc. — I. L. Brooks & Co. Incorporated — C. F. Childs and Company Incorporated — Davis, Skaggs & Co. — Fahnestock & Co. — The First Cleveland Corporation

Hannahs, Ballin & Lee — Industrial National Bank of Providence — Kalman & Company, Inc. — Kenower, MacArthur & Co. — King, Quirk & Co. Incorporated — The National Bank of Commerce of Seattle — Newhard, Cook & Co. — New York Hanseatic Corporation

The Ohio Company — Rauscher, Pierce & Co., Inc. — The Robinson-Humphrey Company, Inc. — Tripp & Co., Inc. — Van Alstyne, Noel & Co. — Wells & Christensen Incorporated — R. D. White & Company — The White-Phillips Company, Inc.

J. R. Williston & Beane — Robert Winthrop & Co. — Barrett, Fitch, North & Co. Incorporated — The Boatmen's National Bank of St. Louis — Brush, Slocumb & Co., Inc. — Julien Collins & Company — Dreyfus & Co. — Elworthy & Co.

Fahey, Clark & Co. — Field, Richards & Co. — The First National Bank of Birmingham — The First National Bank of Memphis — The Fort Worth National Bank — J. B. Hanauer & Co. — Chester Harris & Co., Inc. — Hayden, Miller & Co.

Lyons & Shafto Incorporated — McDonald & Company — Mercantile National Bank at Dallas — Wm. J. Mericka & Co., Inc. — Model, Roland & Stone — Mullaney, Wells & Company — Park, Ryan, Inc. — Reinholdt & Gardner

Seasongood & Mayer — Herbert J. Sims & Co., Inc. — Stern, Lauer & Co. — Third National Bank Nashville, Tenn. — Wood, Gundy & Co., Inc. — Zahner and Company — Auchincloss, Parker & Redpath — Bartow Leeds & Co. — Boettcher and Company

Bosworth, Sullivan & Company, Inc. — Courts & Co. — Curtiss, House & Company — J. M. Dain & Co., Inc. — Dallas Union Securities Co., Inc. — Dittmar & Company, Inc. — Ellis & Company — Ernst & Company

Federation Bank and Trust Co. — First National Bank Minneapolis, Minn. — The First National Bank of Saint Paul — Frantz Hutchinson & Co. — Freeman & Company — Ginther & Company — Granbery, Marache & Co. — Green, Ellis & Anderson

Hill Richards & Co. Incorporated — Hooker & Fay, Inc. — Laird, Bissell & Meeds — John C. Legg & Company — A. E. Masten & Company — McCormick & Co. — Merrill, Turben & Co., Inc. — The Milwaukee Company

Moore, Leonard & Lynch — Newburger, Loeb & Co. — Northwestern National Bank of Minneapolis — Putnam & Co. — Raffensperger, Hughes & Co. Incorporated — Rippel & Co. — Russ & Company Incorporated — Schmidt, Roberts & Parke

Sterne, Agee & Leach — Stern, Frank, Meyer & Fox — Stockyards National Bank — J. S. Strauss & Co. — Suplee, Yeatman, Mosley Co. Incorporated — M. B. Vick & Company — Winslow, Cohu & Stetson Incorporated

September 29, 1960

A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.

Plain Truths About Money in Current Political Campaign

Continued from page 3

duction. If attributing such diverse consequences to a single cause seems confusing, consider the cure for inflation proposed by these critics: it is low interest rates and loose money. At this point a quatrain by Edna St. Vincent Millay comes to mind:

My candle burns at both ends;
It will not last the night;
But ah, my foes, and oh, my friends—
It gives a lovely light!

It isn't ignorance that gets us in trouble; it is the things we think we know that are not so.

The Verdict of Experience

History tells us of the fate of empires whose rulers came to believe that money didn't matter, whose currency was so debased that it was only acceptable at the point of a sword. The sword itself often turned against its master when paid in the same coin. Can we profit from the experience of others or must we repeat their mistakes?

Europe in the past had its share and got its fill of speculative manias, bubbles, debasers of the coinage, monetary magicians trying to pull prosperity out of the printing press like rabbits out of hats. Today there is partisan strife in Britain, as well as here, but both Conservative and Labor parties are committed to defend the pound and hold down the price level. Socialist governments abroad follow flexible credit policies as a matter of course when conditions call for them. Staunch spokesmen can be found for monetary discipline in Communist Poland, a fact I learned at first hand from the Polish Finance Minister in Warsaw last November. From Salazar Portugal to Khrushchev Russia, flexible credit policy is a scientific technique of social control, not an ideological bone of contention.

But here in our own country the issue of monetary discipline and credit restraint unfortunately has been made by some the shuttlecock of partisan politics. Perhaps it is a battle in the cultural revolt against discipline itself, against old-fashioned fathers and other symbols of authority. Perhaps it is a reaction against the so-called threadbare Puritan virtues. Thrift, sacrifice, sweat, and self-discipline are tightfisted virtues. Credit restraint is an instrument of old-fashioned discipline. These values are not pleasant or popular. We want to live now and face the consequences later. We want our economics made easy. What we can get is another matter.

Monetary Policy and Growth Controversy

Debate about the role of money has become deeply involved, as we all know, in the current controversy over economic growth. Should monetary policy be geared mainly to maximize growth, or to stabilize production and price levels? There is no sharp conflict, to be sure, between these goals. A reasonably stable economy operating at high levels is more favorable to rapid, sustained growth than a feverish, boom-bust economy. Rapid change and growth are unbalancing. What priority should we then give to rapid growth?

On this subject of growth there are currently two extreme views. One, which I shall call neostagnationist, claims that we already have more material possessions than are good for us and deplores our greedy grasping for additional superfluities, goaded on by advertising Svengalis. The new stagnationists do not actually oppose growth but give it a low priority. Our main need, in their view, is a better distribution of production: more public amenities and social services; fewer tailfins and concert tickets, hi-fi and TV, books and bubblegum. I do not know the impact of the new stagnationists on the sale of private luxuries such as concert tickets and college courses; but large numbers of consumers have already turned their backs on tailfins, with evident consequences in Pittsburgh and Detroit.

At the other extreme are the growth addicts, speed demons who want to press full speed ahead, and damn the costs or consequences. They have an insatiable appetite for more of everything. Being sensitive to the accusation of crass materialism, they sometimes plead for national glory or national greatness rather than individual affluence. Then they urge us to produce our bounty not for ourselves but for the less affluent, at home and abroad; or to build public monuments; or for armaments.

The sharply different views of stagnationists and growth addicts are frequently confused. Yet they call for radically different policies. To shift the balance of spending from private needs to public wants, to substitute public for private satisfactions, it is sufficient to persuade a majority and the job is done. Accelerated growth, however, does not follow automatically from a majority vote or a policy decision. It requires incentives, invention, investment, savings, and sweat. Few of these can be provided by congressional resolution, or a presidential candidate's exhortation.

Since most of us are neither stagnationists nor growth addicts, but occupy a middle ground, we are concerned with attaining a strongly growing economy that is stable. Flexible interest rates are a useful weapon for stability of price levels, production, and employment. In boom times, interest rates should be permitted to rise, as demands for funds press on available supplies. If not, free markets or black markets for funds are bound to develop; witness the "point" system on G.I. and F.H.A. loans. In slow times, when investment demand is deficient, interest rates should be encouraged to ease. Flexible interest rates can dampen the booms and thereby moderate slumps; fixed interest rates aggravate both.

Although monetary policy is a major weapon in the arsenal of stability, it is much less potent as an instrument for growth. For interest rates are prices for loan funds, reflecting conditions of supply and demand, but not causing them. The price of money does not set the pace of progress. Japan, with interest rates much higher than ours, is growing much faster, for example, than Russia. In America, times of stagnation have gone hand in hand with low-priced money, whereas periods of rapid growth have been characterized by relatively high-priced money. The year 1959, with a growth rate of 7%, is the most recent case in point.

In a healthy economy, interest rates are the hallmark of dynamic, expanding activity, with heavy demand for investment funds. Falling rates are typical of depression and stagnation, when there is little demand for investment funds and dim prospects for profits. The price of money may rise either because the supply is short or because the demand is heavy. The rate of interest should be as low as is consistent with balancing the needs for and supplies of loan funds. The prime borrowing rate at commercial banks in the United States is currently one of the lowest in the world.

If our economy is approaching satiety, demand for more goods will come to a halt, investment will decline in profitability, and growth will slow, however low the rate of interest and whatever the supply of money and the distribution of income. Without motivation, interest rate incentives are useless.

But if the demand for goods surges, new investment will pay off, investment and growth will be high, whatever the rate of interest. The function of interest is to direct investment funds into the most promising channels and to limit the amount of investment to the resources the economy is willing to spare from current consumption. Interest rates do not determine growth rates. In the words of the London *Economist*: "To double the standard of living in a quarter-century, with all that means in the final abolition of want and squalor, is not a fantasy. It is a practical possibility—but only with the aid of a massive, unobstructed and enterprising investment of capital, not in the places where it will 'do the most social good,' but in the places where it will be most productive."

In the last analysis, growth depends on the demand for betterment, and the supply of inventions; not on things, but on ideas. Other considerations are texts for the times. But the power of ideas endures. No correlation has ever been demonstrated between the rate of interest, the stability of prices, the level of employment on one hand, and the productivity of inventive minds on the other. The final condition for growth is freedom of the mind, and to this condition free markets contribute in good measure. In the words of Henry Wallich's splendid new book, *The Cost of Freedom*; ". . . we value a free economy mainly for its service to freedom, political as well as economic, and only secondarily for its productive prowess, impressive as that has been."

Alternatives to a Sound Currency

Siren voices have urged us, as in the words of a currently retiring member of the United States Senate, "to place a sound country above a sound currency," to value money in terms of men, instead of putting a dollar tag on common humanity. But would everyone, or anyone, be better off were our currency unsound?

Much criticism of flexible monetary management is the result of confusion of means for ends — a confusion on which the critics have no monopoly. A stable price level is not an end; it certainly should not be placed above high employment as an objective. But high employment is not an end either. It is rather a means toward maintaining high and stable incomes. Price-level stability is a means toward the same end. Even high incomes are not our ultimate objective, but only an incomplete and adequate measure of human welfare in its tremendous diversity and irreducible individuality. Though money is not the ultimate object of anyone's striving, it is nonetheless an instrument of action, a requirement for economic choice, a necessity for freedom. Money does really matter.

A healthy currency is a necessity for a vigorous economy. If it does not exist, it must be invented. In Germany at the end of World War II, the currency was debauched by defeat and destruction. Occupation currency was quickly watered with a flood of paper from Soviet printing presses. So Germany went on a cigarette currency. It was not ideal, but it was the best available at the time. It is not as easy to multiply cigarettes as it is to add zeros to occupation note issues, or to speed up the printing presses. Finally, German authorities had to create a new currency of integrity, today one of the strongest in the world.

Any government, to survive, must set limits to expansion of the money supply and to rising price levels. But all methods except credit restraint involve major surgery with grave social risks. Devaluation of the currency, with resultant inflation which thus wipes out the real values of monetary holdings, is quite an old favorite. A related alternative is the repudiation of state debts, and of the debts of politically privileged groups. Another solution, employed often in wartime, is a comprehensive system of price controls, rationing, and priorities, which while effectively enforced, sterilizes excess liquidity. The consequences for freedom and efficiency, however, of substituting a national quartermaster corps for the market price system are hard to exaggerate. If none of these methods is employed, or if controls prove ineffective, old reliable inflation will quickly halt increases in the real value of liquid assets by raising the prices of all goods for which they could be spent.

In much of the loose-money talk these days involving national goals and controls, purpose and planning, there is more than a hint of the old N.R.A., whose ghost still haunts many minds formed in those desperate days. This talk has an affinity for those who recoil from the uncertainties of a free enterprise system working nevertheless smoothly and in forward motion, and who prefer the planned order of a national blueprint setting a measured cadence to our steps.

The Illusion of Monetary Isolation

Members of the free and easy school of monetary policy—those who apparently believe that money doesn't really matter — prescribe as if the sun rises and sets on the United States alone; that this country can pursue whatever monetary policies it pleases without regard to the policies of other countries, or without consideration of the consequences upon our nation's balance of payments. We, of course, could purchase a free hand at home for a time at the price of repressing the international flow of funds as well as goods and services. But short of reverting to a policy of Festung Amerika, we cannot long go it alone. Nor can we permit any prospective national leadership to contemplate retrogression into such monetary isolationism.

With brief exceptions during the Korean War and the Suez crisis, the United States has run an unfavorable balance of payments since 1949. In the last two years, the adverse balance has been large, reaching $3.7 billion in 1959. Yet we did not lose this amount in gold. Foreigners were

willing to increase their holdings of short-term dollar assets, which now total more than $16 billion. One reason they kept their funds in dollars and did not demand gold was that interest rates in the United States were attractive to them. They are not as attractive now. In June, when the Bank of England raised its discount rate to 6%, and the West German Bundesbank raised its rate to 5%, the European money markets became more attractive to investors. As a result of interest arbitrage operations, millions have been flowing out of the New York money market. If money rates in this country should be forced to artificially low levels by cheap money dogmatists come to high public office, our gold losses could be heavy and the consequences severe. In the hands of sensible men who understand and believe in the function of flexible interest rates, this nation can continue to conduct a monetary policy consonant with our changing domestic situation even though it cannot be done altogether without regard for the balance of payments.

Domestic interest rates must move in step internationally for other, and equally compelling, reasons. Rates of interest are among numerous influences determining domestic price levels. Rates pegged low, maintained by excessive increases in the money supply, in turn lead to excessive demands for loan funds, applying almost irresistible upward pressure on price levels. In many lines we are now in danger of pricing ourselves out of export markets, and domestic markets as well. In some commodities we may have already lost out. Even to hold our own, the balance of pressures should be against higher domestic prices. Holding our own is not enough; the anticipated deficit in the balance of payments for 1960, $2.5 to $3 billion, is intolerable in the long run.

The reconstruction of the war-devastated economies of Western Europe and Japan has been signally successful. The days when America alone had goods to sell and money to lend, when there was no possibility of market saturation, are gone forever. America is now one among many vigorous and viable trading nations. The problems of foreign markets and foreign competitors are here to stay; they are the signs of a healthy, international, economic community.

The balance of payments is a kind of economic thermometer registering the health of a nation's currency. An adverse balance, like a fever, is a symptom which, if sufficiently alarming, may be treated with the economic equivalent of aspirin. But relief of symptoms is not a cure. A doctor does not cure a cold by exposing the patient to pneumonia. Yet this is the very prescription of those who advocate for America a chronic, loose money policy. In power they would soon be driven toward comprehensive controls and a policy of autarchy to silence the alarms of a rising deficit on foreign account. There is no alternative to submitting to the discipline of the balance of payments.

When the United States and the trading world are somewhat out of step, in different phases of the business cycle, we must tread a monetary tightrope, balancing the requirements of the domestic economy against those of our international position. We cannot press too far a policy of monetary expansion at the approach of a business letdown, lest we precipitate serious balance of payments difficulties. To fight against both inflation and recession, monetary policy must have allies in such areas as fiscal policy and wage-price policy; it cannot be expected to carry the battle alone.

We are not isolated in the economic world any more than we are isolated in the world of the intercontinental ballistic missile. Should we withdraw into a protective economic shell, insulated, blinded, muffled from competitive forces in the world at large, the costs would be prohibitive. We would pay not only the price of foregoing the gains of international specialization and exchange, but of foreclosing our position of leadership in the world. America is still the largest importer and exporter, trading with countries whose dependence on foreign commerce is much greater than our own. America is the world's principal source of investment capital, whether through direct private investment, government assistance, or through international financial organizations.

For all these reasons, and by virtue of the accidents of history, the dollar is the leading currency of the world today. We have a responsibility not only to our own citizens, but to those in many countries who hold billions in American currency and short-term obligations, to maintain the value of the dollar. We have not done too badly in the past when it was easy to do well. Now we must do better, and it won't be so easy. If we lose our trading position, and the dollar declines as an international reserve currency, foreigners will tend to cash their dollar claims, gold will tend to flow out, and we will be forced to curtail our vital overseas military and economic commitments. The mark, the pound, and, yes, even the ruble may take the place of the dollar; and other nations will fill the vacuum in our overseas military and economic undertakings. The dollar is in constant competition with other strong currencies. In the economic world, it is the strong that prevail.

Reports from the hustlings these days remind us that there are those who do not choose to speak of these things, who shy from the plain truth that there is no final escape from the monetary discipline, which merely reflects the realities of economic life: the security of savings, the demands for loans, the productivity of capital, and worldwide competition in the markets for funds as in the markets for goods. Those who seem to think that the modern-day printing press is the passkey to prosperity, and that the balance of payments is a matter of little moment, are hardly competent to be entrusted with the affairs of the nation.

The Role of a Sound Currency

In summarizing this brief inquiry into the role of money and its price, it is fair to say this: money is a tool; a supremely important tool for the efficient functioning of any modern economy, an absolutely essential technique for the operation of a free society, but still only a tool. We use it, adapt it, improve it, and gain skill in its employment to meet the needs of our evolving economy and society. We do not modify society for the sake of just any monetary dogma, such as chronically easy money. We increase the money supply as needed for stability in production and price levels, for meeting the legitimate needs of a strongly growing economy. We do not pick an arbitrary rate of growth for the money supply on the basis of what someone thinks the economy ought to require, and try to modify the economy to make his wish come true. This is topsy-turvy economics.

Likewise, we do not try to stabilize the interest rate at any arbitrary level and allow prices, production, and employment to adjust themselves to it. Quite the contrary, the price of loans is the servant of the money market, which must remain flexible to contribute to high and rising levels of jobs and production and of stable prices.

That we are making some progress in understanding these plain truths is suggested by the fact that the assumption of permanent inflation is no longer as widely held as it was in the recent past. I sincerely hope that nothing will occur in the current political campaign, or in the succeeding administration, to reinstate this assumption in the minds of the public. The expectation of a stable dollar may be just as important as the fact. For if most of our millions of decision makers expect reasonably stable prices, they guide their actions toward production, consumption, and investment, not toward speculation, hoarding, and hedging, toward expanding economic horizons, not toward bristling economic defenses against an uncertain future. Living in an economy with an unstable currency is like living in a society in which no one tells the truth. The ability of modern governments to keep their money straight is an essential condition of their ability to govern. To make these truths pertinent to the great decisions concerning national leadership which we as a people are about to take is our clear duty as informed citizens.

*An address by Dr. Hauge before the first general session of the 86th Annual Convention of the American Bankers Association, New York City, Sept. 20, 1960.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The "Advance Refunding" of the Treasury was termed a success by the Government when just under $4,000,000,000 of the 2½s due in 1967, 1968 and 1969 were turned in for the 3½s of 1980, 1990 and 1998. Some in the financial district had been of the opinion that a somewhat larger amount of the 2½s would have been exchanged for the longer term but higher yielding forward refunding bonds. The public turned in a total of $3,388,400,000 of the 2½s with $642,000,000 of the 1967 maturity exchanged for the 3½% due 1980, holders of $990,900,000 of the 1968 issue took the 3½% due 1990, while $2,339,200,000 of the two obligations coming due in 1969 went for the 3½% due 1998. The balance of $563,700,000 represented turn-ins of Federal Government investment accounts.

Even though the forward refunding of the Treasury is out of the way, it is evident that switches are still being made in the 3½% bonds, with the longest-term obligation of this refunding group, the 1998 issue, continuing to be the favorite among institutional investors.

Hardening of Interest Rates Deemed Unlikely

The demand for Government bonds appears to be in an expanding phase since the purchase of these obligations by institutions is still growing. The commitments which are being made in the long-term 3½% bonds, especially those that came into being with the "forward refunding" operation, has had a favorable influence on the market action of these securities.

It appears as though the opinion is becoming stronger that purchases of fixed income bearing issues at this time will prove to be a not unfavorable undertaking. This seems to be based on the assumption that the level of interest rates is not likely to be hardened for a period of time, but conversely, is quite likely to move somewhat lower in the predictable future.

"Junior Advance Refunding" Possible

In addition to the buying of selected long-term Government bonds, there is likewise a demand for the intermediate term obligations, particularly those that are selling at a discount. It seems as though investment funds are becoming more cautious and this is being expressed through the enlarged commitments which are being made in the middle-term Government obligations. Also, some of these purchases, according to advices, are being made with an eye towards a "junior advance refunding" offer which some money market followers believe will come along before the end of the year, irrespective of how the Presidential election may go. Part of the demand for the middle-term obligations is now coming from accounts which have sold common stocks because of the uncertain outlook for business.

Next New Money Financing Operation

The new money raising operation of the Treasury is expected in early October and between $3,000,000,000 and $3,500,000,000 is likely to be obtained in this venture. The present opinions are that these funds will be secured through the sale of short-term securities, most likely a tax anticipation issue or issues. In addition, there is the question of the November maturing obligations but most money market followers are of the opinion that these maturities will not be taken care of at the time of the October new money offer.

It is evident that the Treasury will continue to be in the money market for one purpose or the other for the next several weeks and this usually does not have a stimulating effect upon the quotations of Governments or non-Federal fixed income securities. However, it seems at this time that the buyers of Government, corporates and tax exempt bonds are not only interested in the yield but also in having more funds in other than common stocks. It is evident that sales of equities by not only individuals but also by institutions has resulted in much of this money being reinvested in bonds. In these purchases of Governments, the near-term and middle-term issues have been the ones most favored by this group.

Portfolio Extension

The switches which are being made by some banks in the Government list are for the purpose of extending maturities somewhat, with the 2⅝s due in 1965 having a noticeable appeal to certain of these institutions. On the other hand, many of the deposit banks in the out-of-town areas have shown more of an inclination to build up their holdings of the short-term liquid Government issues.

Not Losing Sight of Our New Economic Horizons

Continued from page 6

have together built a solid economic basis for resistance to the insidious approaches of communism.

Today the work of the International Bank is being strengthened by the addition of a subsidiary for special types of lending, the International Development Association. Also, the new Inter-American Development Bank will follow the same principles. The Technical Assistance Agency of the United Nations has been strengthened. In Europe the Common Market and the Free Trade Area have been developed. Each one of these has arisen in response to a particular need.

A New Atlantic Initiative

Also in response to an evident need, and of special interest today, is a new overall economic organization of the Atlantic Community, just coming into being. It is called the O. E. C. D.—the Organization for Economic Cooperation and Development, in which for the first time the USA and Canada will be full members along with 18 European countries.

This new project had its beginning in 1947 with the Marshall Plan. For that purpose, the European countries, at the suggestion of the United States, organized themselves to work with us. Our common purpose was the revival of war-ravaged Europe.

Thus was born the OEEC (Organization for European Economic Co-operation). This body proved so useful that it was put to work on many problems, particularly that of reducing trade barriers, so that goods might flow more freely among the countries of Europe. It gradually enlarged its operations to include a wide range of successful consultation on economic trends and policies. It has helped build a sound base for the brilliant post-war recovery of Europe and its recent economic growth and prosperity.

With the reduction of trade barriers, the trade among the members of the OEEC has tripled since 1947, and it should be noted that the trade of these countries with America has also tripled. Our sharing in the new European prosperity has, I believe, fully repaid us as a nation for our expenditures on the Marshall Plan.

This European revival has, as expected, stiffened competition; but the tremendous increase in trade volume and trade opportunities for American business has more than offset some inevitable adjustments and even hardships.

The United States and Canada, while not members, have participated as associates in various activities of the OEEC. But that is not enough to meet today's increasing economic challenge. The economic problems we are now facing are essentially problems for the whole Atlantic Community.

We in this country have come to believe that Europe, recovered from depression and growing economically stronger every month, could share with us more fully than heretofore in the responsibility for dealing with the new economic demands from other parts of the world. Europe can now afford to put up a larger share of the funds, as well as technical, scientific and educational assistance. Also, a broad partnership offers the best protection to all concerned against trade discrimination.

So last December in Paris, President Eisenhower proposed the reorganization of the OEEC with full American participation. This initiative was greeted enthusiastically by all the countries of Western Europe.

The 20 governments concerned (with representatives of the Common Market "communities") organized a working "Group of Four" to draw up plans and a charter. This "Group of Four" consisted of representatives of France from the Common Market countries, the United Kingdom from the Free Trade Area, Greece from the other European countries, and the United States presiding. This "Group of Four" made its report in 2½ months.

After careful review, the 20 governments agreed in July on the principles of the reconstituted organization and selected Dr. Thorkil Kristensen, former Finance Minister of Denmark, a distinguished economist and statesman, as Secretary General. He is now at work with various technical committees to complete the plans of operation and the charter, so that it will be ready for parliaments and our Congress to ratify next year.

The name contains the word "development" as well as cooperation. The organization will look outward as well as inward. It will be concerned as was its predecessor, with the economic strength and growth of its members, but it will also seek to contribute to sound economic growth of the less developed countries.

One of its tasks will be the attempt to resolve the trade problems which result from the establishment of the Common Market and the Free Trade Area, while protecting the interests of the United States and other countries not members of either group.

So this expanded international partnership should take an important part in bringing to bear more effectively the joint power of the Western nations on the vital undertaking of insuring a peaceful and prosperous world wherein we, our children, and grandchildren can continue to enjoy "life, liberty, and the pursuit of happiness."

I firmly believe that it is only by such united effort that our free way of life can survive.

Some may have become discouraged with international cooperation through listening to long and apparently fruitless debates in the United Nations or by reading the clashes and differences of opinion in international agencies. The machinery may seem too cumbersome, progress too slow. Of course, in contrast with the swift, ruthless conduct of a dictatorship, it is slow and cumbersome.

The methods of these organizations are, after all, the methods of democracy, and democracy does work both here at home and in these international organizations. The test is the very great successes which have been achieved. In fact, we must make these agencies work, for they offer in many fields the best means both of protecting our own national interests and moving towards a more prosperous and stable world.

Paying the Bill

Many are concerned with another aspect of the question. How are we going to pay for these programs?

Let me say that, in terms of money, the programs I have described do not add up to a very large sum. When you work in partnership with other countries, you get a lot more for your money.

A large and increasing proportion of the money that is spent through these organisms is in the form of loans, and the money comes back. Many of the dollars, moreover, used in this way are spent in the United States, employ American labor, and do not strain our balance of payments.

Also, it is worth noting that our total expenditures on so-called foreign aid have been declining in relation to our capacity, as measured by our Gross National Product. In the early 50's, mutual security appropriations were over 2% of our Gross National Product. They are now less than 1%.

I should stress here that the amounts the President has requested for military and economic aid are a minimum essential. When they are cut, our chances of success are hurt.

There is, of course, the problem of our balance of payments, about which much has been written. Without attempting a full analysis of this problem, I want to state my own view that our balance-of-payments problem is not primarily a question of our government expenditures abroad, but is largely a result of our fiscal, monetary, price and cost policies at home which affect the broad swing of our economy and our competitive position. If we keep order in our own house by sound government, sound business and sound labor policies, we shall unquestionably be able to do our full share in meeting our external economic responsibilities. Furthermore, with the recovery of Europe, our partners are gradually taking a larger share of the burden.

Our Task

This is the open season for criticism, but let us look fairly and squarely at the record. Let us see how far we have come since the dark days of the war. Our non-partisan record of foreign policy over the past 15 years has, in the main, been sound and effective—one in which we can take pride. The Western world is stronger, more secure, more prosperous, more united than any one could fairly have predicted 15 years ago.

The United States, by virtue of its past record and by reason of its strength, is still the free world's recognized leader, no matter what you may be told to the contrary. We must continue to be worthy of that challenge and that responsibility.

Let me close by suggesting that bankers have a special interest in the various ways by which we as Americans are meeting that challenge in partnership with our friends and neighbors.

First, because the banking business is greatly benefited by the world background of economic growth and stability, which are the very objectives of these international organizations.

Second, because a good many bankers have been called on to give personal leadership in these agencies, and have rendered constructive and distinguished service.

Third, because the banking community as a whole by training and experience is particularly well qualified to understand the complex issues involved.

Finally, because bankers have unusual opportunities for passing on to others their own understanding of these too frequently misunderstood questions—and it is only through the support and participation of an informed public that our international programs can succeed.

So I put forward my suggestions, not as matters of abstract interest, but rather as matters which concern each of us personally and vitally, and in which we can take a constructive part.

What we do today will influence the course of history and the welfare of our country for years to come.

*An address by Mr. Burgess before the 2nd General Session of the 86th Annual Convention of the American Bankers Association, New York City, Sept. 21, 1960.

Syndications Clearance

Syndications Clearance, Inc. is engaging in a securities business from offices at 40 Exchange Place, New York City.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

The Southern Company

While Southern Company has been in existence only about 13 years (representing the Southern segment of the Old Commonwealth and Southern System) the four operating subsidiaries which make up the system have been serving their respective areas for some 60 or 70 years. The system revenues exceed $300 million, contributed roughly as follows: Georgia Power 48%; Alabama Power 38%; and Gulf Power and Mississippi Power about 7% each.

Today Southern, which serves a population of about 6,770,000, is considered the third largest investor-owned electric utility system on the basis of kwh output and the fifth largest with respect to plant investment. The service area embraces most of Alabama, nearly all of Georgia, the northwestern section of Florida, and the southeastern section of Mississippi, the total area exceeding 122,009 square miles. The territory served includes vast reserves of oil and gas, as well as large deposits of coal, iron ore and limestone—the three essentials of steel making; extensive forests; marble, granite and ceramic clays, rare earth minerals, etc.

Farming is well diversified and industry includes textiles, metals and machinery, chemicals and allied products, food and kindred products, paper and allied products, lumber and wood products, glass products, steel and rubber. Abundant rainfall affords ample water for industry, farming and navigation. System electric load is well balanced, residential revenues being 35% of the total, commercial 27% and industrial 29%.

In the past decade the urban districts of Atlanta, Birmingham, Savannah, Mobile, and other cities have shown population gains up to 50%; the number of workers employed in manufacturing in Atlanta has gained nearly 85%. There has been a broad diversification of farm and industrial activity so that cotton and textiles are now much less important than formerly. Revenues in recent years have been gaining at an average rate (compounded) at 9% per annum and this rate is expected to be maintained or exceeded in the next four or five years.

Generating capability of the Southern system at the end of 1959 aggregated 4,560,000 kw, of which 916,000 kw was hydro. An additional 1,537,250 kw, mostly steam, will be installed by the end of the 1962. Southern Electric Generating Company, jointly controlled by Alabama Power and Georgia Power, is spending about $164 million (of which about $69 million had been incurred up to this year) for completion of a one million kw generating plant on the Coosa River about 40 miles southeast of Birmingham. Of the four units of 250,000 kw each, the first two began operation this year, another is scheduled for 1961 and the fourth in 1962. The plant is located near the Alabama coal field, with ample water supply and economical transmission to Alabama and Georgia load centers.

Alabama Power is also engaged in a huge hydro project for which it received the Edison Award in 1958. Licenses have been obtained from the Federal Power Commission for four new dams on the Coosa River to add 425,000 kw capacity, and also a new dam on the Warrior River which (together with other facilities) will provide 202,000 kw of additional hydro. These plants when completed will represent one of the largest recent hydro developments by any private utility. The Southern system should, therefore, benefit in future by continuing low cost power since it will be much less dependent on gas (with regularly rising wellhead costs) than most other large utility companies in the South. In 1959 about 14% of power was generated from hydro plants, though a few years ago the proportion ran as high as 24%. About 10% of power was purchased. Of the steam-generated power, about 66% of fuel cost was for coal, 32% for gas and 2% for oil.

Residential sales gained 8% last year and commercial sales made an excellent showing with a gain of over 12%. Increased use of power by textile mills and manufactures of chemical and paper products were more than sufficient to offset curtailment in the primary metals industry resulting from the steel strike. Including requirements of new and expanded industries industrial power sales were up 11%, and revenues 9%.

Since the days of Wendell Willkie and the initial fight with TVA (later followed by a gentleman's agreement to respect each other's territories) Southern system residential rates have been low. Currently they average around 2.01¢ per kwh compared with the U. S. average around 2.50¢; annual residential usage is correspondingly high at 3,927 kwh compared with 3,585 kwh for the U. S. As a result, perhaps, the system has had relatively few regulatory problems. Return on net property (year-end) is only about 5.5% contrasted with 7% in 1949. New operating economies resulting from the big steam and hydro plants now under construction may permit the present efficient management to raise the rate of return to 6% or over by 1962, it is conjectured.

Share earnings of Southern Company have kept pace with revenue growth in recent years even though the rate of return has been in a slow down trend and the equity ratio has been raised from 30% in 1951 to 34% at the end of 1959. Share earnings have increased steadily since 1951, with accelerated gains in recent years. Latest earnings were $1.99 for the 12 months ended July 31 compared with $1.84 (on average shares) in the preceding 12 months Earnings for this calendar year are estimated at about $2.05 or better. Considering the heavy scheduled construction program, the interest credit for construction should be well maintained (for the 12 months ended July 31 it accounted for about 25¢ a share). Last year the Southern system spent $179 million for plant expansion and for 1960 $192 million was budgeted.

Following the drastic decline in the general market, Southern Company was selling recently around 44 compared with the year's range of about 50-39. At that price, and paying $1.40, the yield is 3.2%. The price-earnings ratio based on the estimate of $2.05 for this calendar year is 21.5.

A. R. Weintraub Opens

BROOKLYN, N. Y. — Aron L. Weintraub is conducting a securities business from offices at 955 Eastern Parkway.

J. V. Werblow Opens

BUFFALO, N. Y. — Jerome V. Werblow is engaging in a securities business from offices at 158 A. Kenville Road.

MUTUAL FUNDS

BY ROBERT E. RICH

The Internationalists

One day this month a Bermuda-based closed-end non-diversified management investment company asked the Securities and Exchange Commission for permission to register under our Investment Company Act of 1940. The company, which also applied to make a public offering of its securities in this country, will concentrate on foreign electronics issues. A public offering of its stock is planned through an American - managed syndicate.

Meanwhile, of course, Americans have been working the other side of the pond. Back from Europe to report on this trend is one of this country's best financial minds: Joseph Morse, Vice-President in charge of finance for Sun Chemical Corp., which operates 58 plants that turn out inks, coatings, pigments, resins, dyestuffs and other products for every segment of the economy.

"For some time now," says he, "Wall Street investment leaders have been studying opportunities on the Continent first hand, with the result that more and more European-based stocks are turning up in investment portfolios. One of the great lures, of course, is the more rapid growth of the European economy in recent years."

Boss Stanley Allyn of National Cash Register once told us that his company netted 8 cents on each dollar of sales abroad, compared with only 4 cents in the States. Buying into stocks like National Cash Register, Woolworth and incidentally Mr. Morse's Sun Chemical is one way to acquire an interest in the booming European economy.

"For the small American investor," Mr. Morse notes, "the most practical approaches are through established companies in this country with expanding foreign subsidiaries and through investment trusts which have trained staffs on the lookout for developing situations."

Sun's Morse turned away this summer from rate-of-return calculations, long - range planning, capitalization ratios and cost reduction programs to make his own intensive study of business opportunities in Europe — all the way from London to Istanbul.

"The economy of Western Europe," says he, "is in a capacity-production full-employment boom that promises to run through 1961 and perhaps beyond. Western Europe's economic activity is rising at a much faster pace than in the U. S. Everywhere I went—talking to industrialists, bankers, economists and accountants—optimism was strong for long-time continuation of this boom."

Joe Morse, who developed his international economic tastes while serving as director of finance operations for giant Radio Corp. of America, did not scour Europe merely to corroborate the Continental boomlet. He was searching out business opportunities for Sun Chemical, a stay-at-home until Norman E. Alexander, President, arrived on the scene in 1957. Already, Sun and Alexander have invaded Mexico, Venezuela, England and France.

When Mr. Alexander took over at Sun the company derived more than 99% of its annual revenues from domestic manufacture. A Canadian operation was the extent of the company's foreign stake. Even as they boosted the domestic volume, they built up the foreign segment to a point where it now constitutes an increasingly significant portion of the total.

But, says Joe Morse, scanning the broad horizon: "Our long-term goal is a rising proportion of foreign business. Profit margins abroad are fatter and the tax climate is more favorable. We expect Sun to make its greatest strides in number of plants and volume of business in the next three to five years in European countries. We believe that Europe, with an economy most nearly like our own, will look to companies such as ours to supply those items which contribute so much to a colorful and satisfying high standard of living."

Is Morse concerned that a recession in the United States would dim European prospects?

"No," he reasons. "Their boom appears to be largely independent of the U. S. economy. It feeds on domestic consumer demand in the European countries, which seem to be consuming all they produce over and above exports."

Finance Man Morse believes his company's growth will be rapid domestically, and backs up his belief by citing record - breaking capital expenditures for the 120-year-old company to expand present plant facilities and construction of new plants. New factories are slated over the next 12 to 18 months in Cleveland, Indianapolis, Arlington, Tex., Orlando, Fla., and Portland, Oreg.

"We'll be working both sides of the ocean," he says enthusiastically. "Sun has a well-developed financial philosophy under which **return on investment** is the touchstone of all its planning. Sun is applying this standard to all present and proposed overseas operations. The application of this standard is helping us continue in 1960 the growth trend of 1959, a record year. We expect 1961 to be an even better year for Sun than 1960."

Funds Report

Texas Fund reports at the end of its fiscal year (Aug. 31) net asset value was $9.74 a share, against $9.67 a year earlier.

* * *

Supervised Shares, Inc. announced in its quarterly statement for September these increases in holdings: 1,500 shares of Allied Chemical, 500 shares of International Minerals & Chemical, 500 General Mills, 1,000 Northern Natural Gas and 1,000 shares of Middle South Utilities.

The company meanwhile sold 800 shares of Reynolds Metals and 1,200 shares of the Southern Co.

* * *

Federal Street Fund, Inc., a newly organized mutual fund, has filed a registration statement with the Securities and Exchange Commission covering a proposed offering of a minimum of $20,000,000 market value in shares of its stock. Goldman, Sachs & Co. will be dealer - manager for a broad dealer group to offer the shares.

Federal Street Fund proposes to offer its shares in exchange for the securities of other companies deposited by individual investors. The market value for the minimum deposit of securities by each investor is set at $50,000. Such exchanges are to be free of any Federal capital gains tax.

The Fund's portfolio will be diversified. The investment objective of the fund is to seek possible long-term growth of capital and of future income. State Street Research & Management Company of Boston, Mass., will act as investment adviser to the fund.

* * *

Techno Fund, Inc., Columbus, Ohio, small business investment company, has committed to invest $500,000 in convertible debentures of Shepherd Industries, Inc., Nutley, N. J. This is the first corporate investment made by Techno since the fund's public subscription on Aug. 18. At that time, more than $5 million in stock was sold to enable an expansion of Techno Fund's financing aid to small business.

Dr. William H. Duerig, Vice-President of Shepherd, described his company as a manufacturer of both digital and analogue magnetic tape recorders, magnetic memory drums, magnetic heads and associated transistorized electronic devices for ground and airborne computers and data processing systems. The company was founded in 1959 by Donald Shepherd and has achieved a rapid acceptance of its products by computer and instrument manufacturers. It now has a three-months' backlog of orders and expects sales of more than $1,000,000 this fiscal year.

* * *

Massachusetts Investors Growth Stock Fund recorded increases in the value of its shares and total net assets from a year ago, according to the report for third fiscal quarter ending Aug. 31. On that date, per share value was $14.80. At the end of the previous quarter net asset value per share was $14.64.

The report disclosed that total net assets rose by some 25% in the 12-month period, climbing to $378,022,347 from $299,686,822. This represented the highest quarter-end level in the fund's 28-year history. Net assets three months earlier were at $362,000,042. Shares outstanding stood at 25,536,878 as compared with 20,755,738 last year and 24,731,637 at the end of the previous quarter.

Petroleum and electrical and electronics issues continued to be the largest investment categories, representing 13.5% and 12.2% respectively, of net assets. Other leading groups were: Electric utilities, 10%, business machines, 9.5% and drugs and medical, 9.7%. The largest holding was a 37,000-share commitment in International Business Machines. During the quarter, the fund made new investments in the shares of American Photocopy Equipment, Connecticut General Life Insurance, Fairchild Camera & Instrument, Middle South Utilities and Miles Laboratories.

* * *

Net assets of **Commonwealth Investment Co.** totaled $151,166,811 on Sept. 1, President Robert L. Cody informed stockholders. This compared with net assets of $153,613,284 on Sept. 1, 1959. Net asset value per share was $9.67 on Sept. 1, 1960, compared with $10.13 a year earlier. The fund made no major changes in its holdings since the mid - year report to shareholders, Cody said. The management added more bonds at favorable yields and transferred some holdings in which the fund had capital gains to situations which appear to hold more future promise.

The percentage of assets invested in common stocks was 58.4% on Sept. 1, compared with 59.9% on June 30.

* * *

Hugh W. Long and Co., Inc., one of the nation's largest mutual fund sponsors, reports earnings of 74½ cents per share on its Class A and Class B Common Stock for the fiscal nine months ended Aug. 31. This compares with 71 cents for the nine-month period ended Aug. 31, 1959.

Manufacturers Securities Formed in N. Y. City

Manufacturers Securities Corporation has been formed with offices at 511 Fifth Avenue, New York City, to engage in a general underwriting and securities business specializing in science issues. Officers are James E. Zoes, President and Treasurer; and Leni M. Zoes, Vice-President and Secretary.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Great Pitching

One of the leading sport's authorities in my city was discussing a recent no-hit, no-run game that was turned in by a 39-year-old veteran of the pitching staff of one of the major teams recently. Then he went on to remark that all the great pitchers were not only masters of the art of control, stuff, and poise on the mound, but also were great students of the hitters. As every hitter has a weakness, or several of them, so do speculators in stocks and bonds. The idea struck me that if each one of us made a record of the mistakes we have made and what we did wrong when we bought the wrong stock, or sold it at the wrong time, or bought it too high, or whatever it was that caused us the loss, we might do a bit better, providing we learned anything from our mistakes. Some of us never will do this; others won't profit from our past transgressions. But there is merit in the idea if followed conscientiously.

Selling Offers Same Opportunity

I have observed that successful salesmen lead their customers into decision making that, in their opinion, should be beneficial to the customer. This is the highest art of security salesmanship. Many people will make the same mistakes over and over again because of emotional and personality defects. There are people who have a compulsion (this I have observed) to push themselves into situations where they will have a loss. They must have a guilt complex. There are others who will buy when everyone is buying and pay too much for their bet on the future. Then they will wait until a panic day when the market is plunging to new lows and they will sell.

Don't Pitch Fast Ones to Them All

As a salesman you must learn how to mix up your stuff, and control is the answer. I have some customers I can kid with and they go for it like a two-year-old for candy. If I tried it on some of the others with whom I do business they would think I was out of my mind. The other day one of my good friends of many years standing telephoned me. We have kidded and joked for years. Another customer was seated at my desk. Finally I said to the man on the phone, "Why don't you take your business to some other 'bucket shop' if you don't like the lousy service and the bad tips you get here?" He laughed and replied, "The rest of them are worse than you are so I guess I'll keep on losing money with you." The customer at my desk had a look on his face that was somewhat puzzled. I told him that this other fellow and I insult each other regularly and have been doing it for years.

I have a few clients who will continually call me at home after the market, if there is a bad day like the one that happened last Monday when the averages broke badly. Most of them haven't a thing to worry about. They own funds, bonds, high grade investment stocks and possibly a few dogs. They either want to worry, they are emotional, they don't understand too much, read the headlines and listen to the gab on the TV and radio. I take it easy and reassure them. It is something like the fellow who bought a second hand car and two weeks later he called up the dealer and asked for the salesman who sold him the car. The dealer asked him what was wrong and he answered, "I don't know, it seems that just about everything is wrong with it and I would appreciate it if that salesman would sell it to me all over again."

I have customers who want to tell me about their aches and pains. I know what is coming out of the mouth before they open it. They tell me about the fever blisters on their lips, their blood pressure and the strict regimen that their doctor tells them they are going to have to live up to for the umpteenth time. After this they talk stocks, or business, or whatever it is that is the issue. Bu first come the bumps, bruises, sores and aches.

All these quirks of human nature, and many more, go to make up the great and varied cross section of people that you must deal with day by day. Some like it serious, some jovial, some want a sympathetic listener, others a confidant and confessor. Many will want you to be the goat for their own greed, mistakes, poor judgment, etc. It is a great day when you have enough business that you can tell some of them you are too busy and to find themselves another punching bag. Meanwhile even a few of these people can be set on the right road if you know how to put them on the track and sit on them once in a while.

In selling you don't become a big leaguer without plenty of practice, just the same as the fellows who pitch a no-hitter do it —by working hard at their job and learning what to throw to each batter.

Cetron Stock Is All Sold

Leason & Co., Inc. and associates announced on Sept. 27 that an offering of 260,000 shares of Cetron Electronic Corp. common stock at a price of $6.75 per share has been oversubscribed and the books closed.

Net proceeds from the sale of the stock will be used for expansion, new product development and for additional working capital.

Cetron Electronic Corp., formerly called Continental Electric Co., is principally engaged in the engineering, development, manufacture and sale of industrial electronic tubes, and is about to enter the field of optic and electronic systems. Included among its products are photo electric tubes, lead sulphide tubes, vacuum gauges, power tubes, thyratrons and rectifiers.

Sales of the company's products are made to electronic equipment manufacturers, to the military and to retail distributors. Equipment manufacturer sales are handled nationally through 15 manufacturer's representatives to more than 275 customers including Western Electric Co.; Remington Rand, a division of Sperry Rand Corp.; American District Telegraph Co.; Beckman Instruments and Eastman Kodak Co. Military sales, accounting for over 50% of total volume, are made to all branches of the Armed Services.

Joins Hutton Staff

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif. — Donald A. Swenson has become affiliated with E. F. Hutton & Company, 10 North Garfield Avenue. He was formerly with Morgan & Co.

AS WE SEE IT

Continued from page 1

preachments, and all too often their political opponents are inclined to fall in line with the notion. What is most peculiar about it all is the fact that none of them seem to think it worth while to inquire what type of public policy promoted growth during the century and more that we were rising to the eminence that has been the envy of the world for a long while past. It is painfully evident that we have learned and are learning nothing from history—history, that is, that reaches farther into the past than the memory of the youth and the middle aged of the day. The observer on Olympus must have long ago come to the conclusion that we learn nothing from history but that as yet we, or the larger number of us at any rate, have not begun to come to a realizing sense that what this all teaches us is that we are reluctant to learn anything at all from history.

It is true, of course, that these are new and difficult times. There are many factors in the current situation which do not find exact counterparts in history. But the basic principles of sound economic public policy remain unchanged. The rise of communism and communistic ways of thinking and acting have furnished no evidence that *laissez faire* is any less potent a public policy than it was in Adam Smith's day. The fact is that the communist nations, especially Russia, which have been most successful in their efforts to progress economically have for a good while past been more and more imitating the broad principles which we once adored, while we are more and more reaching out toward socialistic ideas in the hope of bettering ourselves.

Wasting Opportunities

The thoughtful observer can scarcely fail to bemoan the fact that the two leading parties and their candidates for the Presidency are wasting good time and excellent opportunities in superficial comments and in the interchange of accusations and counter accusations all having to do with popular subjects but none having anything much to do with the basic principles which they and all the rest of us ought to be studying and applying. What is actually happening is that various proposals are being brought forward which fly directly in the face of experience (which is of course history), and which are being defended on grounds that can best be described as popular buncombe. No real opportunity is thus presented to the voter who would like to register his choice on the basis of comparative statemanship of the various candidates.

This is, of course, largely as it has been for a good many years in this country. Franklin Roosevelt during his first campaign in 1932, and his party platform in that year, seemed to many to make sense. The trouble was that as soon as he was in office he adopted and pursued a wholly different course based upon wholly different principles and concepts of good government. He gathered around him a "brain trust" of men, mostly young men, to whom everything that was or had been was wrong, and who felt the urge to make the country—and perhaps the world over—better to their liking. Their contempt for history and for those who had studied and understood our past was supreme. They set up a whole system of values of their own and conjured up "principles" that were to be observed in making the country over to what they thought it should be like.

Unfortunately for the country, all this was championed and fed to the public by a man, Franklin Roosevelt, who had the knack of making the worse appear the better reason, and before it was over a whole new generation grew up in an atmosphere in which the facts of history were ignored or even scoffed at. There were many who should have known better who were caught up in the current and now have lost their moorings to all that is instructive and constructive in our history or in the history of mankind. President Truman built what he called the "Fair Deal" which, of course, was but a slight modification (if any modification at all) of the New Deal. The New Deal type of philosophy remained in full force and honor.

It would not be quite fair to say that the Eisenhower Administration merely followed where the New Deal and the Fair Deal led, but candor compels the assertion that its programs and policies have been very much more nearly akin to the New Deal than they have been to traditional American policies. Moderation, or the "middle of the road" doctrine has been the catchword of the Eisenhower Administration, but about the most that can be said for it is that it has remained less extreme for the most part. And so we come now to a pass which makes it clear enough that the best we can hope for during the next four years is a continuation of this more moderate New Deal type of program—while at the worst we can apparently expect a reversion to the Rooseveltian type of effort to "change, revise, revamp, etc." It is not a heartening prospect.

Sound Approach to Business And Stock Market Outlook

Continued from page 15

or four consumer goods or so-called "depression proof" issues included in this Average, which are now selling for as great premiums for popularity as were the aluminums and the oils a few years ago.

In terms of the Dow-Jones Industrials, stocks would have to experience a further average decline of only about 10% to 12% to be down to the equivalent of around 14 to 15 times the probable earnings for this year. This would be in line with the rising trend of stock prices in relation to earnings since 1949. (This upward trend in price-earnings relationships will not continue indefinitely, of course, but there is reason to suspect that it could be maintained until 1962 or 1963, particularly if the Republicans stay in power.) Studies I first developed in 1930 suggest that we are near the ending of the downward phase of certain "Timing" cycles, although the indications from this point of view must be considered as "neutral" rather than favorable over the next six to nine months. This is at least a moderately constructive point at the present time, in contrast with the downward trend suggester since the summer of 1959.

Influence of Inventory Picture

Turning to the second important influence in gauging the business outlook—the inventory picture—we find that business inventories have been rising since Oct., 1958, except for a very brief interruption during the steel strike last year. They did stabilize during July—the latest month for which data are available — when they amounted to $93.3 billion, but were still within 0.1% of their all-time high. In the past, economic readjustments have not run their course until business inventories had stabilized or declined for a period of at least six to eight months. This was definitely true in 1949, 1954 and 1958. This precedent suggests that the trend of business activity will be downward at least into the early months of next year. (As you can readily understand, a rising trend of inventories indicates that production has been running above consumption. In order to reduce inventories, it is necessary to cut back production to below the level of consumption. This usually involves a reduction in employment or working hours, which in turn tends to reduce consumption. Ramifications of inventory expansion and contraction also extend to the capital goods field.)

Usefulness of Consumer Credit Data

Since inventories can be reduced by an increased rate of consumption as well as through a cutback in production, the relationship of consumption to production must be studied in light of statistics which give at least some indications as to whether consumption is currently relatively high or abnormally low. One of the ways of measuring this particular aspect of the economy may be found in the statistics on consumer credit. Consumers have been adding to their mortgages on future incomes by spending in excess of their collective repayments against previous instalment purchases during the greater part of the period since 1951. Actually, this excess of expenditures over repayments has been almost continuous since the end of World War II.

At the present time, the total of consumer debt, including non-instalment loans, exceeds $53 billion, as compared with only $6 billion at the end of 1945, and $30 billion in early 1954. Of perhaps greater significance is that short-term consumer debt is now equal to 13% of one year's total disposable income, or more than seven times the proportion of one year's income at the end of World War II. During periods when instalment credit commitments are substantially in excess of repayments, the demand for goods is in a sense being artificially stimulated. Conversely, debt reductions generally require a decrease in the level of spending.

The business recessions in 1954 and in 1958 did not run their courses until after new instalment purchases fell back to well below repayments for at least one or two months. Whether this is due to a tightening of loose credit standards which helped to create the preceding boom, or to a natural lessening of demand once consumer requirements have been satisfied, is beside the significant points we want to make. These are: (1) business has been enjoying the stimulation of a progressively larger amount of spending of borrowed money by the public during the past 18 months; and (2) the reverse of these spending and repayment relationships may be expected for at least a few months before the current business readjustment runs its course.

Influence of Money Supply

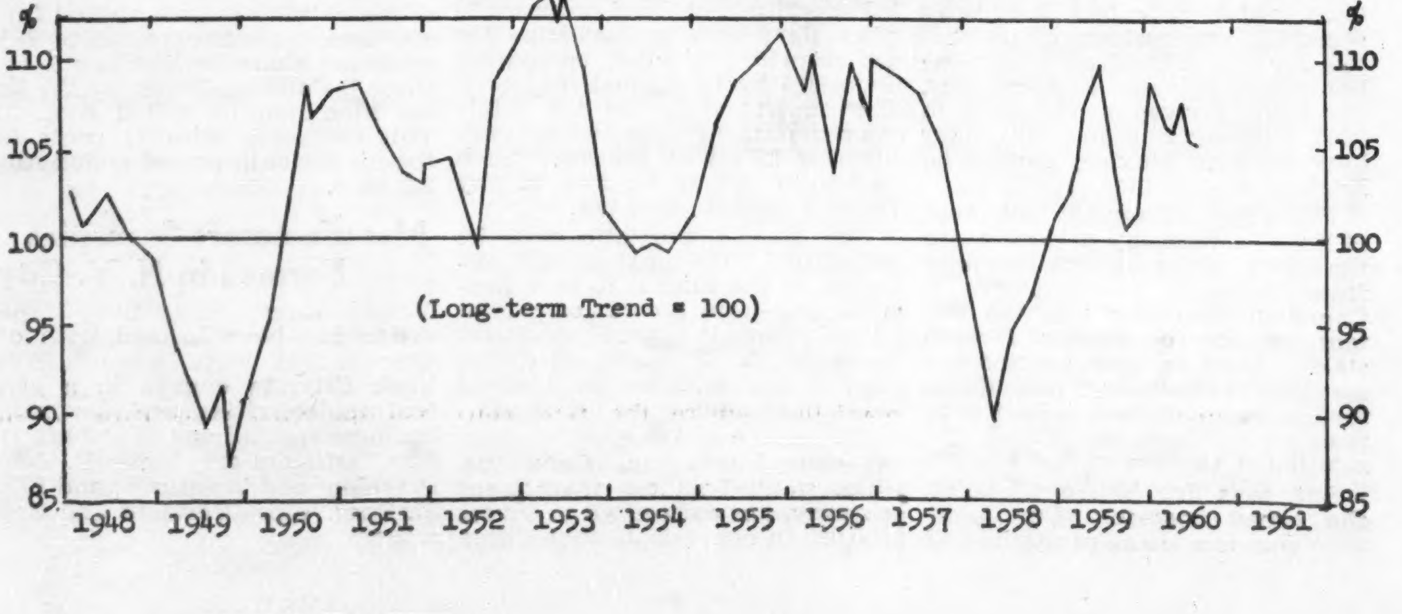
The fourth set of influences on the business picture which we have found to be especially important have to do with the supply of money—which, of course, is normally dominated by Federal Reserve policy. One of the most sensitive reflectors of Federal Reserve policy is the reserve position of the banking system. The FRB can supply banks with loanable funds by lowering reserve requirements, or by purchasing government securities and issuing Federal Reserve Notes or "dollars" which directly or indirectly find their way into our banks. Whenever the FRB decides its policy should be one of restricting credit, they can take steps that result in a deficit or "net borrowed" reserves, which means that the banks themselves must borrow from the Federal Reserve Bank to take care of any new loan or investment commitments. On the other hand, when the Federal Reserve Board decides to encourage banks to expand credit, as they have recently, they can permit the development of "free reserves" which means the banks, as a group, have uncommitted funds they can use to make additional loans, or purchase bonds held by individuals or corporations.

In recent years, the stock market has tended to reach a cyclical peak about six to eight months following the development of a relatively tight money situation, as measured by the disappearance of "free reserves." Business activity has usually begun to slow down shortly thereafter. Conversely, the development of excess or free reserves has been followed by an upturn in the stock market within three or four months, and by the completion of a business readjustment within 12 months. The exact duration of any "leads" between Federal Reserve action and reversals of previous trends in stock prices or business activity will continue to depend, of course, on the extent of the maladjustments in the economy, and on how fast the FRB can move in light of world conditions. From the latter point of view, the flow of gold during the next months will bear close watching.

Another reflector of Federal Reserve policies may be found in the rate charged by the Federal Reserve banks on "rediscounts" or borrowing by the banks themselves from the Federal Reserve System. Sometimes these rates lead changes in the general interest rate level, while at other times, they tend to follow. In a sense, these rates are a barometer of the entire credit structure, as they only rise in periods of an expansion in business and speculative activity, and decline when the reverse is the case.

As a barometer, we have found that real "storm signals" have been given in the past once this rate has been brought up to double the level touched at the low point of the preceding business readjustment. Specifically, this type of warning was given in August, 1929, when the rediscount

FRB INDEX OF INDUSTRIAL PRODUCTION



rate was increased to 6% as compared with a level of 3% touched in 1924; in October, 1931, when the rediscount rate had to be doubled within a period of 60 days because of a sudden outflow of gold; in April, 1946, when the rate was brought up to 1% as compared with the wartime level of one-half of 1%; in January, 1953, when the rate was increased to 2% after having been at 1% in 1946-1947; in August, 1956, when it reached a level of 3% as compared with 1½% in the summer of 1954; and finally, in May, 1959, when this rate was increased to 3½% as compared with the 1958 low of 1¾%.

It might be of interest to note that the foregoing periods were all followed by important stock market readjustments, although a decline in the stock market did not always develop immediately, and in one or two instances, stock prices enjoyed an additional rise of 5% to 8% from the time the rediscount rate had been brought up to double the previous level, until the bull market was to record its historic high. The fact that the Federal Reserve Board has seen fit to lower the rediscount rate in June and again in August of this year clearly indicates that its policies are now in the direction of making credit less costly, as well as more readily available.

Level of Government Spending

The final statistical series which I think is worth following in connection with any appraisal of the business outlook is the rate or level of Federal government spending in relation to tax receipts. I want to stress the fact that it is important to differentiate between the level of government disbursements as such, and the amount of spending in excess of the amount collected from the American public. We hear a great deal about the theory that business is bound to be good during this or that period because government disbursements are expected to increase. If good business could be insured by a progressively higher level of spending, I for one would vote for raising taxes every year, as this would give the government progressively more money with which to stimulate business.

The important point is that the economy cannot be helped on an over-all basis if the government puts an additional $10 billion or $20 billion in circulation, while at the same time it collects from potential private spenders additional taxes equal to this amount. There is a definite lag in the influence of deficit spending on the economy as a whole, but both logic and the record show that sooner or later putting into circulation progressively more borrowed money by the government (or anybody else), or a reversal of this procedure, does affect the over-all demand for goods.

A twelve months' moving total of government **cash** spending, less tax collections shows that this stimulus to our economy was especially great in 1958 and early 1959, when the government paid out more than $12 billion in excess of tax receipts in a single year—the highest level of deficit spending in a peacetime year in the history of the country. We have been in a declining phase of this type of economic stimulation (on a twelve months basis) since August of last year, and are now no longer on a deficit spending spree. This particular development is not a plus factor in the business outlook at the moment, but there are signs that government spending (seasonally adjusted) will again be on a deficit basis before the end of the second quarter of 1961. If this should be the case, we will have one more reason for expecting a rising trend of business activity during the last half of 1961.

Conclusion

Our conclusion as to the business outlook on the basis of the indications of these practical substitutes for a crystal ball is that we have been in a rotating readjustment in business activity since the summer of 1959. This appraisal is confirmed by the fact that the FRB Index of Industrial Production, as published, reached a high of 110 in June, 1959, and has subsequently been able to get only 1 point—or 1%—above that level. Production in some industries—notably in steels and railroad equipment—is already running at well below the long-term average of consumption, but readjustments in other equally important even if less prominent industries such as the textiles, are just beginning to get under way. We can probably look for a culmination of the decline in industrial activity by about the time that business inventories have stabilized or declined for six or seven months, and instalment purchases have been cut back for at least a few months, below the level of repayments against commitments. A continued easing of credit during the period immediately ahead would strengthen the prospect that the low point of activity, on a seasonally adjusted basis, is likely to be seen by the spring of next year.

Recent credit trends, the availability of satisfactory yields for many issues, and the fact that the stock market almost always records its final lows at least four to six months before a business readjustment runs its course, suggest that we are now probably in or near a satisfactory buying area for the stock market as a whole. This is particularly true in the case of issues that are selling at moderate ratios to demonstrated earning power and the income in prospect during the next peak in the business cycle — which our Timing Studies indicate will be seen in 1963.

Quite frankly, we can see the possibility of a broad trading range in the market averages well into next spring, and possibly for a much longer period, similar to that witnessed after the decline in late 1946. There is a definite possibility that stocks which are still selling at premiums for popularity will lose ground during the next few years, just as have the oils, coppers and aluminum issues since the overexploitation of the theory of "buying assets in the ground for inflation protection" of 1956-1957. At the same time, equities that are selling at modest levels in relation to demonstrated as well as potential earning power could advance by 50% to 100%.

It will be just as necessary to be highly selective in deciding which stocks should be purchased and held over the next two years as it has been since 1956, but if we may judge by the record of our own buying selections in September, 1953, and in January, 1958, this should not prove too difficult now that much of the froth has again been squeezed out of the market as a whole.

In terms of the New York *Times* Industrial Stock Average, we would expect a low of slightly under 500, as compared with its 1956-1957 range of 596 to 455, and the subsequent all-time peak of 737 recorded on Aug. 3, 1959. (The 1960 range for this Index through last Thursday was 729 to 562.) Because of some major distortions in the Dow-Jones Industrial Average, this Index may not decline to below the 530-560 level, even though, as I have previously pointed out, the vast majority of stocks are already well below highs touched in 1956-1957, when the peak for the Dow-Jones Industrials was approximately 524.

As Counselors on investment portfolios, where the first consideration must be given to preservation of principal rather than attempts to attain maximum profits on a speculative basis, we have been following a policy of recommending the maintenance of buying reserves of 40% to 50% in all of our portfolios; and limiting new purchases to only those issues that appear to offer good values, and where we would not hesitate to add to initial commitments following completion of the general market readjustment. We are planning to materially increase our positions in equities over the next 60 days, when international and domestic political uncertainties, the release of disappointing earnings reports for the third quarter, and the general pessimism which develops following the type of declines witnessed in the market averages in recent months, should provide investors with sound and attractive buying opportunities.

*An address by Mr. Gaubis before the Midland Estate Council, Midland, Texas, Sept. 26, 1960.

ED. NOTE: Space considerations precluded reproduction of several other charts prepared by Mr. Gaubis for this talk. Copies of the entire series may be obtained by writing to Anthony Gaubis & Co., 122 East 42nd St., New York City.

N. Y. Telephone Bonds Offered

An underwriting group headed by Halsey, Stuart & Co., Inc. is offering today (Sept. 29) $60,000,000 New York Telephone Co. 4⅝% refunding mortgage bonds, due Oct. 1, 1997. The bonds are priced at 101.50 to yield 4.54%. Award of the bonds was won at competitive sale on Sept. 28 on a bid of 100.71.

Net proceeds from the sale of the bonds will be used to repay bank borrowings. The balance of the proceeds, if any, will be used for construction purposes.

After Oct. 1, 1965, the bonds will be redeemable at optional redemption prices ranging from $104.50 to par after Oct. 1, 1992, plus accrued interest.

The company in recent years has been making large construction expenditures to meet the demand for communication services and to improve such services. Since 1955, the company has spent $1,358,000,000 on construction. For the first six months of 1960 construction expenditures amounted to $142,000,000.

New York Telephone is engaged in the business of furnishing local communication services mainly local and toll telephone service, in the State of New York and in a small portion of Connecticut. On June 30, 1960, the company had 8,085,581 telephones in service, about 68% of which were in the New York Metropolitan area. Revenues from telephone service constitute about 94% of the total operating revenues of the company. About 75,000 employees work for the company.

For the six months ended June 30, 1960, the company had total operating revenues of $524,940,442 and net income of $63,838,725.

Form Jervis Co.

PASSAIC, N. J.—Jervis & Co., Inc. has been formed with offices at 94 Brook Avenue to engage in a securities business. Officers are Joseph Jervis, President; John Swedits, Vice-President, and Anna Jervis, Secretary-Treasurer.

N. H. Kellogg Opens

DIXON, Calif.—Neal H. Kellogg is engaging in a securities business from offices at 700 East A. Street under the firm name of Kellogg & Co. Mr. Kellogg was formerly with Walston & Co. Inc.

Nicolas Salgo Co. Formed

Nicolas Salgo & Co., Inc. has been formed with offices at 405 Park Avenue, New York City, to engage in a securities business. Nicolas M. Salgo is a principal of the firm.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Charles A. Rosebrock has been elected a Vice-President of Chemical Bank New York Trust Co., New York, it was announced Sept. 23 by Chairman Harold H. Helm. Mr. Rosebrock joined the Bank as a bookkeeper in 1930 and has risen through the ranks, becoming a Personal Trust Officer in 1958. He is with the Bank's Personal Trust Department at 100 Broadway.

Charles A. Rosebrock

George R. Clough and Arthur W. Nelson have also been appointed Assistant Vice-Presidents. Mr. Clough, former Assistant Secretary, is with the Bank's International Division at 165 Broadway. Mr. Nelson is with the Bank's Municipal Bond Department, 30 Broad Street, where he has served as Assistant Manager.

* * *

The Long Island Trust Company, Garden City, N. Y. will open its 12th office in South Freeport on Oct. 3, Frederick Hainfeld Jr., President, announced. Located at 180 Atlantic Avenue, the new branch will be the Trust Company's second complete bank in Freeport.

Hubert L. Wells of Amityville, Assistant Vice-President, will be in charge of the new office. Kenneth J. Kolator of Mineola, Assistant Secretary, will be in charge of the bank's Marine Financing Division which will be centralized in the South Freeport office.

* * *

By the sale of new stock the **Worcester County National Bank, Worcester, Mass.**, has increased its common capital stock from $3,250,000 to $3,575,000, effective Sept. 14. (Number of shares outstanding—357,500 shares, par value $10).

* * *

Eric G. Orling, has been elected to the Board of Directors of **The First National Bank of Jersey City, N. J.**, it was announced Sept. 23 by Kingsbury S. Nickerson, President.

* * *

The National Bank of Westfield, Westfield, N. J., has increased its common capital stock, by the sale of new stock, from $350,000 to $525,000, effective Sept. 15. (Number of shares outstanding—21,000 shares, par value $25).

* * *

By a stock dividend, **The National Deposit Bank of Arnold, Arnold, Pa.**, has increased its common capital stock from $200,000 to $300,000, effective Sept. 14. (Number of shares outstanding—15,000 shares, par value $20).

* * *

Cyril G. Burgess recently was elected a Second Vice-President in the International Banking Department of **The Northern Trust Company, Chicago, Ill.** Previously he had been located in New York City as Assistant to the Representative of **Westminster Bank, Ltd., London.**

* * *

By the sale of new stock, the **First National Bank of Park Ridge, Park Ridge, Ill.**, has increased its common capital stock from $250,000 to $375,000. (Number of shares outstanding—37,500 shares, par value $10).

* * *

The National Citizens Bank of Mankato, Mankato, Minn., has increased its common capital stock from $500,000 to $600,000 by a stock dividend, effective Sept. 12. (Number of shares outstanding—6,000 shares, par value $100).

* * *

The application of the **Lincoln Bank and Trust Company, Louisville, Ky.**, and **The First National Bank of Louisville, Louisville, Ky.**, to merge under the title of the **First National Lincoln Bank of Louisville** was approved Sept. 13 by the Office of Comptroller of the Currency, but no date of effect has been determined.

* * *

The Florida National Bank of Jacksonville, Jacksonville, Fla., has increased its common capital stock by a stock dividend from $5,000,000 to $10,000,000, effective Sept. 13. (Number of shares outstanding—400,000 shares, par value $25).

* * *

The Florida National Bank at Orlando, Orlando, Fla., has increased its common capital stock by a stock dividend from $1,000,000 to $2,000,000, effective Sept. 12. (Number of shares outstanding—80,000 shares, par value $25).

* * *

The Atlantic National Bank of Jacksonville, Jacksonville, Fla., announced the election of Edward W. Lane, Jr., as Vice-President and Assistant to the President, effective Sept. 1.

* * *

Mr. Masaji Marumoto, was elected a member of the Board of Directors of the **Bank of Hawaii, Honolulu, Hawaii**, it was announced Sept. 16 by Judge A. E. Steadman, Vice-Chairman of the Bank's Board. Mr. Marumoto succeeds L. A. Hicks, who has been a member of the Board since 1946 and retired from the Board Sept. 16.

Gilbert W. Root, President of **Cooke Trust Company, Ltd.** also announced that Masaji Marumoto was elected a member of the Cooke Trust Board effective Sept. 16.

Spray-Bilt, Inc. Class "A" Offered

Pursuant to a Sept. 15 offering circular, J. I. Magaril Co. and Sandkuhl & Co., Inc., both of New York City, publicly offered on a "best efforts" basis, 100,000 shares of this firm's 10 cent par class A common stock at $2.50 per share.

Spray-Bilt, Inc., located at 3605 East 10th Court, Hialeah, Fla., was organized under the Laws of the State of Florida on Jan. 28, 1959.

The company's principal business operations consist of the marketing of fiberglass and resin spraygun equipment that is assembled from component parts by the company. The company offers an equipment package for spraying fiberglass reinforced by plastics.

If all the shares offered are sold, the net proceeds to the company, after its expenses of the offering, amounting to approximately $11,000, the underwriting commission amounting to $37,500, and the underwriting expenses amounting to $15,900, or a total of $64,400, will be approximately $185,600.

The company intends to use these funds to expand inventories and for various other purposes.

I. J. Fisher Opens

Isidore J. Fisher is engaging in a securities business from offices at 99 Hillside Avenue, N. Y. City.

Australian Bonds Marketed Here

Morgan Stanley & Co. heads a nationwide underwriting group comprising 67 investment firms which offered for public sale on Sept. 28 an issue of $25,000,000 Commonwealth of Australia 20-year 5¼% bonds. The bonds, due Oct. 1, 1980, are priced at 98% and accrued interest to yield approximately 5.415% to maturity.

The bonds are direct obligations of the Commonwealth and principal and interest will be payable in U. S. currency. The latest previous issue of Australian government bonds placed in the United States was marketed on April 20 of this year and consisted of $25,000,000 20-year 5¼% bonds due April 15, 1980.

Semi-annual sinking fund payments of $675,000 from Oct. 1, 1962 to April 1, 1980 together with a payment of $700,000 on Oct. 1, 1980 are calculated to retire the entire issue by maturity. The bonds are not redeemable prior to Oct. 1, 1970 except by operation of the sinking fund. They are redeemable on or after Oct. 1, 1970 at the option of the Commonwealth at 102% to and including Oct. 1, 1974 and at decreasing prices thereafter. The bonds are redeemable for the sinking fund on April 1, 1963 and on any interest payment date thereafter at 100% and accrued interest.

Application will be made to list the bonds on the New York Stock Exchange.

The Australian equivalent of proceeds of the current offering will be applied toward capital works expenditures being financed under the borrowing program for 1960-1961 approved by the Australian Loan Council for the Governments of the Commonwealth and the States. Funds are required from this program to finance such public works projects as housing, the extension of electric power transmission facilities, modernization of railroad equipment and the construction of additional water supply, irrigation and sewerage facilities.

Joins Goodbody Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Owen H. Morse has joined the staff of Goodbody & Co., 1 North La Salle Street.

Now Corporation

JEFFERSON CITY, Mo.—Robert E. Holliway Co. Inc. has been formed to continue the investment business of Robert E. Holliway Co., 308 Jackson Street. Officers are Robert E. Holliway, President, and F. M. Holliway, Secretary-Treasurer.

Samuel Janov Opens

PHILADELPHIA, Pa. — Samuel Janov is engaging in a securities business from offices at 3 Wiltshire Road under the firm name of Janov & Co. Mr. Janov was formerly with Euler & Hart.

George Gross Opens

BRONX, N. Y.—George Gross is conducting a securities business from offices at 1950 Andrews Ave.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

FEDERAL INSURANCE COMPANY

Two announcements of investment interest came from the directors of Federal Insurance Company this month. To supplement the regular $1.00 annual cash dividend rate, a 10% stock dividend has been declared. Also, management announced that negotiations have been held for the acquisition by Federal Insurance Company of the stock of Great Northern Insurance Co. of Minneapolis.

After payment of the 10% stock dividend declared on shares presently outstanding, Federal contemplates offering one share of its stock in exchange for each share of Great Northern. The offer is contingent on approval by regulatory bodies and stockholders of both companies and more specifically on acceptance by holders of between 85% and 95% of the some 100,000 shares of Great Northern. Fire and casualty insurance are written by both concerns.

Incorporated in 1952, Great Northern Insurance Co. became the successor to Underwriters at Lloyds of Minneapolis, organized in 1913. The latter was the first insurance organization in the U. S. to issue one policy for covering all insurance needs of a private car. Presently with assets exceeding $10 million, Great Northern is one of the largest insurers of automobiles in Minnesota and North Dakota and operations extend over ten other Midwest and neighboring states.

Federal Insurance Co., established in 1901 and under the management of Chubb & Son since incorporation, merger United States Guarantee Co. into its organization in 1953. Wholly-owned subsidiaries include Vigilant Insurance Co. and Federal Insurance Co. of Cuba. In 1957, a 97% interest was acquired in The Colonial Life Insurance Company of America, New Jersey, through an exchange of stock. Thus at present Federal Insurance is able to offer all forms of insurance protection—property, casualty and life—for an "all lines" operation.

Business is conducted in all states, District of Columbia, Guam, Canada, Puerto Rico, Venezuela, England, Belgium and Holland. Originally a property insurance company, casualty lines were added during the 1940's. Some 4,000 agents and brokers cover the extensive markets served. Leading states for direct premiums written include New York, California, New Jersey, Illinois, Missouri, Pennsylvania and Ohio with roughly one-third of direct writings obtained in New York State.

Selected Statistics — Growth and Underwriting Control

Year—	—Net Premiums— *Written	*Earned	Admitted *Assets	†Loss Ratio	‡Expense Ratio	Profit Margin
1960**	$39.700	-----	----	58.4%	34.2%	7.4%
1959	72.940	$70.431	$219.4	56.9	34.7	8.4
1958	67.377	65.523	203.3	56.6	36.1	7.3
1957	63.472	58.779	175.6	60.0	36.4	3.6
1956	55.186	52.253	166.9	59.2	37.3	3.5
1955	51.301	49.230	161.2	50.4	37.4	12.2

*In millions of dollars. **Six months, June 30. †Losses incurred to premiums earned ‡Expenses incurred to premiums written.

Underwriting performance by Federal has easily outpaced the average company. During the past five years, for example, it was one of the few companies having consistent underwriting profits and an average profit margin of 7.0% was achieved. The company's premiums written growth has been excellent, up 147% since 1949. During the first half of 1960, consolidated net premiums written were 9.2% above the first six months of 1959, and the above average premiums growth is expected to continue. Expense control in recent years is noteworthy.

Independent underwriting procedures are followed and risks are much more diversified than for the average carrier. Management, which has a reputation for developing new forms of protection, is presently concentrating on personal insurance lines. To illustrate, Federal's affiliates, Colonial Life and Vigilant Insurance, are offering on a pilot basis in six states its Plan IV program for the packaged selling of personal liability, property, automobile, life and accident and health insurance. Federal provides substantial aviation insurance coverage through Associated Aviation Underwriters. Of consolidated net premiums written in 1959, $72.9 million, about 50% represented property lines, 43% casualty, and 7% multiple line premiums. Major property lines included Auto Physical Damage, Ocean Marine, and Fire, while Auto Liability, Surety and Fidelity were the leading casualty lines. Underwriting profits for 1960 are enhanced by rate increases, primarily on auto lines.

Per Share Statistics*

Year—	Approx. Price Range	Investment Income	Total Earnings	Avg. P/E Ratio	Dividend	Approximate Book Value
1960	61 - 53	---	---	---	$1.00	----
1959	69 - 58	$1.80	$2.62	24.2	1.00	$41.30
1958	61 - 38	1.70	2.12	23.3	0.90	39.65
1957	42 - 28	1.58	1.92	18.2	0.90	34.30
1956	40 - 32	1.55	1.65	21.8	0.90	37.63
1955	42 - 34	1.39	2.23	17.0	0.80	37.57
1949	16 - 14	0.75	1.90	7.9	0.47	20.47

*Based on 3,087,916 shares outstanding for 1957-60 and 2,700,000 shares for prior years.

Financially strong, Federal's investment activities are conservative and holdings are well diversified. For 1959, bonds represented 50% of total assets, preferred and common stocks 38%, and the life subsidiary 2%. Net investment income has recorded steady expansion and the trend is expected to continue; investment income for the first six months of 1960 was up 13% over a year ago.

Since acquisition, Colonial Life is now licensed in many more states—27 states as against 6 previously. Colonial is one of the well established but smaller stock life companies. Admitted assets and insurance in force were $88.4 million and $537 million, respectively, at the end of 1959. Nonparticipating ordinary, industrial and group policies are written.

At the recent price of 61, a yield of 1.6% is obtained on the $1.00 annual dividend. Dividends have been paid without interruption since 1902. Federal was among the earlier fire-casualty companies to enter the life field and this step should enhance its continued long-term growth and bring competitively sound stability to over-all operations.

Targets and Goals

Continued from page 4

tion who retained their memberships in the American Bankers Association. I have enjoyed pleasant relationships with many of them this year.

You will be considering amendments to our Constitution this morning. These and the changes in our By-Laws approved at our Spring Council Meeting are the product of three years' work by a special Constitutional Revision Committee, headed by Frank L. King. I wish to congratulate and thank Frank and all those on his committee and on our staff who contributed to this general revision effort—the first since 1920.

The American Bankers Association devotes much thought and effort to banking education. The National Trust School, operative for the first time this year, made an excellent start as it trained 217 trustmen from 47 states and other countries this summer at Northwestern University. Nearly 90,000 bank people attended classes of the American Institute of Banking, which has strengthened and extended its program. Our Council of Banking Education is making excellent progress as it seeks through study of our education programs to broaden the training of bank officers and personnel.

Committee Report on Commercial Banking

The Commission on Money and Credit created as an independent commission by the Committee for Economic Development (CED) in 1959 requested the American Bankers Association to submit a Monograph on Commercial Banking this year. This monograph seeks to describe and to evaluate the distinctive role of commercial banking in our monetary mechanism and to make recommendations with respect to policies affecting financial institutions. This stupendous job was undertaken by a topflight committee headed by Roy L. Reierson as Chairman. Our staff of the ABA Department of Economics and Research and the members of this committee have been occupied in preparing or supervising the preparation of some 20 chapters in order to fairly and accurately present the views of commercial banking. It is hoped that this monograph, prepared at great cost of time and money, will serve its purpose by helping the Commission on Money and Credit to arrive at conclusions which will aid the public and be acceptable to commercial banking.

Time will not permit a recital of the assistance to bankers given by staff and committee members in conferences, workshops, tours, and other meetings. These are contributions given under the auspices of your Association which make your membership valuable.

The record of the past year is written. Nothing in it can change. The future of the ABA is a new adventure and will include many challenges. I would like to mention briefly three of the targets or goals at which we members may aim as we seek to strengthen banking and our American way of life.

Three Goals

The first is to maintain a sound economy, secure in freedom, dynamic, and ever growing in which an honest dollar can assure a clear road ahead. Our Committee for Economic Growth without Inflation has worked tirelessly and effectively toward this goal. Since Dr. Gabriel Hauge will address us this morning on the subject, "Does Money Really Matter?" he will eloquently and ably tell us how to view the situation today, and I suspect will point out some guideposts for the future. [Ed. Note: See page 3 for complete text of Dr. Hauge's address.]

We bankers have a huge stake in a stable economic growth. We can play a major role in helping to stimulate savings and in the extension of credit so that new plants may be built and equipment purchased, jobs may be provided for the increased population, the necessary salaries and wages will be available and goods and services will be purchased in increasing volume, and thus keep our economy strong and growing.

Secondly, we will have an opportunity in 1961 to press for enactment of sound tax legislation. We advocate the passage of measures which will result in tax justice to individuals and to all types of business concerns.

Merely because tax exemption was given certain groups many years ago is no argument for granting them tax favoritism today. We should ask Congress to examine the substance and not the form of a 1951 enactment which permits mutual thrift institutions to escape the payment of Federal income taxes so desperately needed for national defense and the operation of our government. These mutuals are now big business and have grown tremendously so we ask that they aid in the search for a fair and equitable way for them to join the ranks of substantial Federal income tax payers. The cover of the 1960 August issue of *Banking* tells a graphic story of the challenge which commercial banking faces in the savings field.

The claim that reasonable income taxation will destroy other types of savings institutions is not realistic. Business concerns of all kinds, including commercial banks, pay taxes up to the 52% rate—and survive. It is good management which allows companies to progress.

We should ask Congress to examine this part of the tax picture with care and with fairness to all. We can help in creating a better understanding by Congressmen of the need for tax justice.

Third, if banking is to make the progress our country needs in its great growth in the sixties, we must develop new ideas, new products or services, and new ways in which to make banking more accessible, more meaningful, and better adapted to the entire populace.

Since banking touches the lives of so many people, it is quasi-public in character and is subject to numerous governmental regulations. These, however, are not fettering so we should place more emphasis on research in order to meet our responsibilities and embrace our opportunities more fully.

It is almost certain that during the next five years more customers will be served with a greater variety of banking services than ever before. Banks must be alert to merchandise aggressively some of the services now

rendered by other types of lending institutions.

Bankers must be innovators and not just imitators. We must invent new ways and new methods to carry out our responsibilities as financial leaders.

Civic and Public Participation

Fourth, we are in the midst of a great political campaign. It affords a good opportunity to display to visitors from other countries true democracy at work in an atmosphere where freedom to speak is part of the fundamental law.

Wholesale and retail banking touches the lives of all of our citizens. This close participation with the people calls for an active interest on the part of bank officers and employees in civic and public affairs. There are many opportunities for community service. It behooves us to support our nation and our government by taking an active interest in some part of this campaign.

We have a right to express ourselves against a policy of economic direction by an all-controlling government. Government blueprints should not be substituted for private decisions concerning saving, investing, and expanding.

In closing I would like to quote the following words:

"But certain leaders of the country, striving each to be first, were ready to surrender to the people even the conduct of all public affairs to suit their people's whims. These leaders even gave themselves over to many intrigues for the sake of gaining popular leadership. From all this, which happened to a great and powerful state, there resulted many serious blunders."

It would not be strange if you thought that this was part of a speech in the United States Senate by either Harry Byrd or Barry Goldwater. No, you would be wrong. These quoted words came from Thycydides, the great Athenian historian, about 2,500 years ago. We are living in a confused and dangerous world environment. We as bankers can best support our government by devoting thought, time, and interest in this campaign so that issues may be faced and wise decisions reached.

***An address by Mr. Remington before the first general session of the 86th Annual ABA Convention, New York City, Sept. 20, 1960.**

STATE OF TRADE AND INDUSTRY

Continued from page 9

Western railroads, both closed the previous week by strikes.

There were 8,956 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Sept. 10, 1960 (which were included in that week's over-all total). This was an increase of 1,643 cars or 22.5% above the corresponding week of 1959 and 3,006 cars or 50.5% above the 1958 week.

Cumulative piggyback loadings for the first 36 weeks of 1960 totaled 379,339 for an increase of 97,541 cars or 34.6% above the corresponding period of 1959, and 200,564 cars or 112.2% above the corresponding period in 1958. There were 55 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage in Week Ended Sept. 17 was 1.1% Below The 1959 Week

Intercity truck tonnage in the week ended Sept. 17, was 1.1% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. However, truck tonnage during the post-holiday week was 18.1% ahead of the previous week of this year. The week-to-week increase approximated that found in previous years for the week following that of the Labor Day holiday.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage over a year ago in 15 localities. Nineteen points reflected decreased tonnage from the 1959 level.

Pittsburgh, Baltimore and Salt Lake City terminals had the largest year-to-year gains — up 22.1, 13.9 and 11.9%, respectively. Traffic at these points was somewhat depressed at this time last year. Although tonnage was generally down as compared to last year's volume, the combined effect of the Pennsylvania Railroad strike, this year, and the steel shutdown, a year ago, resulted in tonnage gains at a number of points.

Compared to the immediately preceding week, all 34 reporting metropolitan areas registered increased tonnage for the week.

Electric Output 9.9% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 24, was estimated at 14,156,000,000 kwh., according to the Edison Electric Institute. Output was 253,000,000 kwh. above that of the previous week's total of 13,903,000,000 kwh. and showed a gain of 1,278,000,000 kwh., or 9.9% above that of the comparable 1959 week.

Lumber Shipments Were 2.3% Below Production During Week Ended Sept. 17

Lumber shipments of 462 mills reporting to the National Lumber Trade Barometer were 2.3% below production during the week ended Sept. 17, 1960. In the same week, new orders of these mills were 8.8% below production. Unfilled orders of reporting mills amounted to 28% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 15 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 3.2% below production; new orders were 5.5% below production.

Compared with the previous (holiday) week ended Sept. 10, 1960, production of reporting mills was 15.7% above; shipments were 17.0% above; new orders were 9.8% above. Compared with the corresponding week in 1959, production of reporting mills was 12.2% below; shipments were 9.8% below; and new orders were 14.1% below.

New Business Incorporations Rise Slightly to Highest Level for Any August on Record

The number of new business incorporations rose slightly in August from the prior month and was up moderately over a year ago, reaching the highest level for any August on record, reports Dun & Bradstreet, Inc. The total came to 14,993, for a gain of 2.2% over the July 14,406, and an increase of 4.1% from the prior August record of 14,406 set last year.

The number of new concerns recorded for the first eight months of 1960 came to 127,616, down 5.1% from the record 134,406 for the cumulative period set last year.

Business Failures Continue Up In Week Ended Sept. 22

Commercial and industrial failures rose to 321 in the week ended Sept. 22 from 305 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in 15 weeks, casualties exceeded noticeably the 282 occurring in the comparable week last year and the 268 in 1958. As well, business mortality was a third heavier than the prewar level of 239 in the similar week of 1939.

Failures involving liabilities of $5,000 or more edged up to 289 from 280 in the previous week and exceeded considerably the 247 of this size a year ago. A small increase was noted among casualties under $5,000 — to 32 from 25. Forty-nine of the failing concerns had liabilities in excess of $100,000, climbing from 35 in the preceding week.

The toll among manufactures rose most sharply during the week, reaching 60 as against 47 last week. Increases also lifted wholesaling casualties to 33 from 27 (revised) and service to 31 from 25. Contrasting dips prevailed in retail trade, off to 151 from 156 (revised), and in construction, down to 47 from 50. In all industry and trade groups except construction, more failures occurred than a year ago, with marked upturns from 1959 levels in service and manufacturing businesses.

All of the week's increase was concentrated in four regions: the Middle Atlantic States, up to 91 from 82; the East North Central up to 67 from 56; the Pacific States, up to 84 from 75; and New England, up to 13 from 12. Meanwhile, tolls in the West North Central and Mountain States held steady, and only the South Atlantic and South Central Regions reported declines. More businesses succumbed than in the similar week last year in six of the nine regions. The East North Central States suffered the sharpest upturn from 1959.

Wholesale Food Price Index Hits New High for the Year

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose slightly this week to a new high for the year. On Sept. 20, it stood at $5.99, up 0.5% from the prior week's $5.96 and 1.0% above the $5.93 of the corresponding date a year ago. The previous 1960 high was $5.98 first reached on April 19, and more recently on Sept. 6.

Higher in wholesale cost this week were wheat, hams, butter, cheese, sugar, cocoa, eggs, and hogs. Lower in price were rye, barley, lard, cottonseed oil, and steers.

The Dun & Bradstreet, Inc., Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Sharp Rise in New York Boosts August Building Permits Slightly Over Year Ago

A sharp rise in New York City boosted the total building permit values for 199 cities in August slightly over the similar 1959 month, reports Dun & Bradstreet, Inc. The list of cities was revised with the March 1960 cities to include the 200 cities with the largest population as of the 1950 census. With data for one of these cities not yet available, the total dollar value of building permits for 199 cities during August amounted to $654,583,388, up 3.4% over the year ago $633,004,434, and 1.2% higher than the prior month's $646,648,418. This was the third year-to-year increase so far this year.

Plans filed in the five boroughs of New York City came to $96,370,363 in August, for a sharp increase of 64.3% over the year earlier $58,657,111, and a gain of 0.6% over July's $95,810,511. The total in the 198 other cities in August amounted to $558,213,025. This was a dip of 2.8% from the $574,347,323 of August 1959, but an increase of 1.3% from the month earlier $550,837,907.

Wholesale Commodity Price Index Edges Up From Week Earlier

After sagging a bit in the middle of the week, the general commodity price level ended up slightly higher than a week earlier, reflecting higher prices on flour, hogs, lambs and some grains. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., stood at 267.47 (1930-32=100) on Sept. 26, compared with 267.13 a week earlier and 277.23 on the corresponding date a year ago.

Both domestic and export buying of wheat expanded appreciably during the week, and prices were moderately higher; offerings were light, but they were sufficient for the volume. In line with this, rye prices moved up somewhat, but transactions showed little change from the prior week.

With most buyers awaiting the new crop, trading in corn slackened appreciably and prices were down somewhat; some reports that bad weather conditions prevailed in some growing areas failed to stimulate corn trading. There was a moderate dip in oats prices and trading lagged. Supplies of soybeans were plentiful and prices declined slightly, but volume was steady.

A slight increase occurred in flour prices during the week and trading was steady; except for sizable purchases by the United Arab Republic, export volume in flour lagged. There was a marked rise in exports of rice, especially to Europe, Asia, and Africa, and domestic trading was steady; rice prices remained unchanged from the preceding week.

Sugar trading was steady and prices finished unchanged from a week earlier; at the end of the week it was announced that the Government authorized the purchase of 321,857 tons of sugar from the Dominican Republic, which will ease the tight supply situation.

Although coffee trading was limited, prices remained steady during the week. A moderate increase occurred in cocoa prices and buying was somewhat higher than a week earlier.

Hog trading picked up noticeably at the week-end and prices finished appreciably higher than a week earlier; hog supplies remained steady. There was a moderate increase in lamb prices as volume was steady and supplies in some markets were limited. Prices on steers finished unchanged from the preceding week as a marked dip in salable supplies reduced volume.

There was a slight dip in cotton prices this week. The Service Bureau of New York Cotton Exchange estimated that exports of cotton in the week ended last Tuesday came to 42,000 bales, compared with 17,000 a week earlier and 45,000 in the similar week last year. For the season through Sept. 20 exports came to about 337,000 bales, compared with 244,000 a year ago.

Consumer Buying Close to Year Ago

There was an appreciable rise in consumer buying in the week ended this Wednesday from the prior week, when hurricane Donna reduced activity in many cities, and over-all retail volume was close to a year ago. While purchases of children's apparel, furniture, television sets, new passenger cars, and food products edged up slightly over last year, sales of women's apparel and linens showed little change. The buying of men's clothing, major appliances, and floor coverings were down somewhat from the similar 1959 week.

The total dollar volume of retail trade in the week ended this Wednesday was from 2% below to 2% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Mountain +4 to +8; East South Central +1 to +5; Middle Atlantic 0 to +4; New England, East North Central, and West South Central —2 to +2; Pacific Coast —3 to +1; South Atlantic —4 to 0; West North Central —6 to —2.

Nationwide Department Stores Sales Down 5% From 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Sept. 17, 1960, show a decrease of 5% over the like period last year. In the preceding week for Sept. 10, a decrease of 2% was reported. For the four weeks ended Sept. 17, a 1% drop was reported. The Jan. 1 to Sept. 17 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 17 were 5% below the like period last year. In the preceding week ended Sept. 10, sales were 6% above the same period last year. For the four weeks ending Sept. 17 a 2% increase was reported over the 1959 period, and from Jan. 1 to Sept. 17, there was a gain of 5% above the level achieved in the 1959 period.

Inv. Planning of New Eng. Elects

BOSTON, Mass. — Announcement has been made by Herbert B. Paquet, President of Investors Planning Corporation of New England, Inc., 1 Court Street, of the appointment of Joseph F. Parks and Harold F. Theriault, as Vice-Presidents of the Corporation.

Richmond W. Woodward, was elected Clerk of the Corporation and Assistant Treasurer.

The firm, Mutual Fund Specialists, have exclusive selling rights in New England for Contractual Plans for the accumulation of shares of Axe-Houghton Fund "B"; Axe Science and Electronics Corporation; and National Investors Corporation.

In Securities Business

ROCHESTER, N. Y.—Hammill & Co. Inc., 140 East Avenue, is engaging in a securities business.

Form Williams-Bowker

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Williams-Bowker Company has been formed with offices at 1804 J Street to engage in a securities business. Officers are John B. Bowker, President and Treasurer, and John L. Williams, Vice-President and Secretary.

Glore, Forgan Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Charles B. McPhee has joined the staff of Glore, Forgan & Co., 510 South Spring Street. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

With Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Peter Lederer is now with Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. He was previously with I. L. Brooks & Co., Inc.

THE SECURITY I LIKE BEST...

Continued from page 2

at the same rate as at freight stations of various companies.

Bush Terminal Co., and its subsidiaries, owns 150 acres of land on which there is one of the largest terminal and industrial plants in the world. Warehouse space covers 900,000 sq. ft. and industrial space of 1,500,000 sq. ft. with a pier area of 1,496,000 sq. ft. The properties include seven steamship piers, 105 warehouses and manufacturing buildings, 18 miles of standard gauge railroad track, and yard facilities for handling 1,000 freight cars, a car float system and tow boats. Rents from the piers and buildings are a relatively stable source of income—$3,227,065 in 1959; $3,221,299 in 1958; and $3,124,503 in 1957. Real estate values are carried on the company's books at 1919 assessed valuations.

Bush Terminal Company Data

Yr. Ended Dec. 31	Gross Rev. (Millions)	Net Income (Millions)	Earns. per Share	Dividends Paid	Price Range High	Price Range Low
1959----	$6.30	$1.12	$1.42	*$0.50	35¾	24⅝
1958----	6.45	0.68	0.92	0.50	28½	16½
1957----	6.57	0.64	0.92	0.50	19	16½
1956----	6.17	1.22	1.82	0.50	20	15
1955----	5.70	0.80	1.23	0.50	19⅜	15
1954----	5.86	0.60	0.97	0.60	16¼	11⅝
1953----	6.47	0.78	1.28	0.60	15	11
1952----	6.32	0.77	1.32	0.60	14¾	12
1951----	6.22	0.75	1.31	0.40	14⅞	10⅜
1950----	5.17	0.43	0.75	0.30	10⅞	8

*Cash dividends have been supplemented with stock dividends; 3% in 1952, 1953 and 1954; 4% in 1955, 1956 and 1957; 6% in 1958 and 1959; and thus far in 1960, 2%.

GENERAL CIGAR COMPANY

Capitalization (as of Dec. 31, 1959)

Com. stk. ($1 par)- 1,418, 926 sh.
Long term debt--- $9,801,000

History And Business: Incorporated in New York on April 28, 1906 as the United Cigar Manufacturers Co. The present title was adopted on March 1, 1917.

The company is a leading producer of cigars. Its principal brands are Robert Burns, produced in several sizes retailing at medium prices and it also produces the lower priced White Owl, Wm. Penn and Van Dyck. A low priced Robert Burns Cigarillo is also made. Distribution is made on a nationwide basis through jobbers and other selected outlets. Sales offices are maintained in New York City, Buffalo, Chicago, San Francisco, Boston, Detroit, Los Angeles, Seattle, Allentown and Hartford. Manufacturing plants are located in New Jersey and Philadelphia. The company has processing plants, leaf tobacco divisions, a farming division, an outstanding research laboratory, a homogenized tobacco leaf division, and also about 50 leaf tobacco warehouses.

A major innovation of the General Cigar Co. was the development of the Homogenized Tobacco Leaf binder, known in the trade as "HTL," which is now used in the making of all its cigars. This binder is the inner wrapper of the cigar that comprises the tobacco filter and gives the cigar its shape. Other cigar makers have been licensed to use this process on a royalty basis. General Cigar, late in 1959, concluded negotiations for the purchase of a one-half interest in a Netherlands corporation, HTL Tabak-Maatschappij, N. V., a Netherlands organization with worldwide contacts in the tobacco industry. This jointly owned company has a plant in Eindhoven, Holland where all necessary machinery for the production of "HTL" has been installed and the production of "HTL" on a commercial scale has already begun. The company expects that the arrangement should be the means of realizing not only added royalty income, but eventually provide an attractive return on the investment. Last year royalties and licensing receipts, chiefly in connection with the "HTL" binder, accounted for an indicated 17.4% of General Cigar's pre-tax income, exclusive of nonrecurring items. The company expects 1960 royalty and licensing income to top 1959's $967,441 which was up from $682,770 a year earlier.

In June, 1960, General Cigar announced the company expected substantial cost reductions from a newly developed cigar wrapper. The development could aid earnings in several ways. Labor costs could be sharply reduced. Two-man machines could be operated by one man and one-man machines could be made fully automatic. In addition, General Cigar plans to make its wrapper "available to others" which could produce income from selling the wrapper and licensing other companies to make it.

These developments, together with a new miniature cigar which the company expects to introduce in July, 1960 aiming at the young man's market, tend to support the continuity of the strong 16% compound rate of gain in net income.

General Cigar Company Data

Yr. Ended Dec. 31	*Tot. Sales (Millions)	Net Income (Millions)	Earns. Per Share	Dividends Paid	Price Range High	Price Range Low
1959---	$61.36	$3.60	$2.53	$0.80	33⅜	23
1958---	58.69	3.00	2.11	0.67	25	16
1957---	55.59	2.83	1.87	0.60	16½	11⅝
1956---	45.23	2.31	1.38	0.50	13⅜	10⅛
1955---	38.73	1.53	0.83	0.42	12⅞	8⅛
1954---	34.03	1.35	0.71	0.33	9⅝	6
1953---	35.89	1.51	0.82	0.40	6½	5½
1952---	34.80	1.33	0.70	0.33	6½	5⅜
1951---	30.98	1.11	0.54	0.33	5⅞	5
1950---	29.07	0.89	0.38	0.33	6¼	4⅝

*Including excise taxes.

Hideo Kasai to Tokyo

SAN FRANCISCO, Calif. — Hideo Kasai, Director of Nikko Kasai Securities Co., West coast affiliate of Nikko Securities Co., Ltd., of Tokyo, is taking a management position in the Foreign Department of Nikko Securities home office.

Mr. Kasai is the son of Kenji Kasai, Board Chairman of Nikko Kasai Securities which has offices at 111 Sutter Street and in Los Angeles at 235 East Second Street. He is a native San Franciscan and this will be his first trip to Japan. Mr. Kasai is planning to be in Japan about two years developing firsthand knowledge of the industries represented on the Tokyo Stock Exchange.

Paul Hayashi, Assistant to the President, will handle the portfolios of clients formerly served by Mr. Kasai. Mr. Hayashi spent the greater part of his life in Japan and has an excellent background with regard to the Japanese industrial scene.

Boston Capital Corp. Financing

Wendell B. Barnes (left), Senior Associate of Shearson, Hammill & Co. and former Administrator of the Small Business Administration, presents a check for $20,325,000 to Joseph W. Powell, Jr. (center) and John P. Chase (right), President and Chairman of Boston Capital Corporation. Underwriters managed by Shearson, Hammill & Co. provided the funds, which make Boston Capital Corporation the nation's largest small business investment company. In exchange, Shearson, Hammill receives 15,000 stock certificates which will be distributed by 211 participating securities firms to the general public and to institutional investors, who by investing in Boston Capital Corporation are helping to provide financing for promising small businesses.

Boston Capital Corporation is a closed-end, non-diversified investment company registered under the Investment Company Act of 1940 and licensed under the Small Business Investment Act of 1958. The new firm intends to invest primarily in equity securities or securities with equity features of selected small business with attractive growth possibilities. The corporation may also provide advisory and management counseling services for small business concerns.

Boston Capital's Board Chairman, John P. Chase, is also Chairman of the Board and Treasurer of John P. Chase, Inc., and serves as a Trustee of the Chase Fund of Boston and Shareholders' Trust of Boston. Joseph W. Powell, Jr., President and a Director of Boston Capital is Chairman of the Board of Allied Research and Service Corporation and is a Director and former Vice-President-Finance of Harris-Intertype Corporation. Other Directors include Wendell B. Barnes and Carl R. Hauers, Vice-President of John Hancock Mutual Life Insurance Company of Boston.

Boston Capital Corporation's Advisory Board will assist in the technical evaluation of industries and individual small businesses and includes Dr. Charles S. Draper, Head of the Department of Aeronautics and Astronautics, and Director of the Instrumentation Laboratory at Massachusetts Institute of Technology.

A Psychologist's Views On Securities Salesmanship

Continued from page 16

they were handled merely takes the conversation off the client's major interest; because his needs and his situation are unique, his problems cannot possibly be solved by reference to a past "similar case." In addition, no one cares to be regarded as a "case."

(5) Listen actively. The way in which one listens tells several things to the client; whether or not you really feel he is important, care about him as an individual, think his views worthwhile, and whether or not you are endeavoring to give him your best investment advice.

(6) The salesman should try to understand how the client feels as well as what he thinks. The feeling tone is often more significant than the factual information. Sentimentality applies to one's possessions as well as to people. In a good counseling session, the client has reduced his tensions and lessened his burdens, chiefly because feelings as well as ideas have been transmitted and are now shared with the salesman.

(7) Remember that the client himself must feel convinced that the investment plan is the right one. No person will go along with an investment program unless he himself is sure it will meet his needs. He is far more likely to feel this way when he has had a major role in developing it. Even though he may have been advised more than he realizes, he feels that he has made a real contribution to the thinking involved. After all, it is best that he always regard it as his decision, one for which he, too, assumes responsibility. The good salesman provides a prism of specialized knowledge through which the client's needs are focused. A good counseling session is also a growth experience for the client. He leaves a better informed, more mature investor as a consequence of the learning process. He should also leave with renewed confidence in his own judgment, instead of being made to feel inferior by a supercilious advisor.

Uninterrupted Quiet

(8) Provide the right climate for the conference. The importance of the conference to the client is obvious: his financial future is at stake. The registered representative should show in every way that he, too, is clearly aware of this. This will not be the impression given if the general conditions of the discussion are haphazard or distracting. There should be real privacy, not just a desk in a crowded, noisy office. There should be uninterrupted quiet, and freedom from telephone calls. The client will hardly feel that he is getting your best judgment if you keep following the fluctuations of the market while listening to his personal financial problems and ambitions.

The surroundings should be conducive to unhurried and serious thinking and planning. Remember that the outlay in time devoted to a long-range, clearly understood investment program is well spent. In the long run, this may require many fewer hours than would be consumed through a hundred telephone calls over the years, calls needed to clarify matters that could have been worked out thoroughly in the beginning. In other words, a long session or two with a new client may be time-saving in the long run as well as a superior counseling technique.

(9) The kind of person you are determines your method of dealing with clients. If you have a need to feel important, to "play God" before the clients, you will hardly subscribe to some of the ideas presented above. The probable reason would be that you are concerned chiefly with building up your own self-esteem and sense of importance. Respect for others, we now know, is closely related to one's self-attitudes. A person with quiet self-confidence does not push too hard, does not have to do all the talking, and does not see the client as a tool for building up self-importance. He centers his attention not on his own needs, but where it belongs: on the expressed and covert needs of his client. He is more interested in understanding and helping the customer than in working off his own personality problems. Remember, the client reacts to what you are as much as to what you say.

A Matter of Professional Ethics

(10) The client's welfare is paramount. If the securities salesman is to succeed—and if the occupation itself is to become a permanent and significant part of American economic life—it will be because clients feel they have been given sincere and sound counsel of a high professional order. This means that the registered representative should be intellectually competent, well informed and up-to-date professionally, and should behave with the dignity and ethical orientation basic to all professions. He would also do well to discover something about the psychological processes underlying the counseling he does. A good securities salesman will get much of his reward not only from the satisfaction of having served his clients well, but also from the warm, friendly relationships which have developed.

Fortunately, good practice and good business coincide with good human relations.

Woodcock, Moyer Opens New Dept.

PHILADELPHIA, Pa. — Woodcock, Moyer, Fricke & French, Inc., 123 South Broad Street, members of the New York and Philadelphia-Baltimore Stock Exchanges, have formed a corporate financing department under the direction of Henry C. Mayer, vice-president.

F. E. Graybill Opens

GLENDALE, Calif. — Floyd E. Graybill has opened offices at 2420 North Verdugo Road to engage in a securities business.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Oct. 1	§54.2	*54.3	52.0	12.8
Equivalent to—					
Steel ingots and castings (net tons)	Oct. 1	§1,545,000	*1,547,000	1,483,000	362,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sept. 16	6,847,010	6,874,310	6,842,460	6,810,125
Crude runs to stills—daily average (bbls.)	Sept. 16	¶8,083,000	8,271,000	8,135,000	7,994,000
Gasoline output (bbls.)	Sept. 16	29,365,000	30,004,000	29,467,000	29,192,000
Kerosene output (bbls.)	Sept. 16	2,567,000	2,783,000	2,445,000	1,817,000
Distillate fuel oil output (bbls.)	Sept. 16	12,896,000	12,943,000	13,097,000	12,326,000
Residual fuel oil output (bbls.)	Sept. 16	5,711,000	6,250,000	5,626,000	6,082,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Sept. 16	189,345,000	188,886,000	192,094,000	180,782,000
Kerosene (bbls.) at	Sept. 16	34,704,000	34,521,000	31,368,000	32,486,000
Distillate fuel oil (bbls.) at	Sept. 16	162,773,000	159,108,000	143,831,000	170,253,000
Residual fuel oil (bbls.) at	Sept. 16	47,633,000	47,793,000	44,314,000	58,167,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sept. 17	598,716	481,057	596,339	577,457
Revenue freight received from connections (no. of cars)	Sept. 17	503,123	444,225	490,595	494,491
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Sept. 22	$368,400,000	$423,300,000	$406,400,000	$410,700,000
Private construction	Sept. 22	194,700,000	178,200,000	245,200,000	226,800,000
Public construction	Sept. 22	173,700,000	245,100,000	161,200,000	183,900,000
State and municipal	Sept. 22	140,200,000	215,200,000	123,300,000	121,700,000
Federal	Sept. 22	33,500,000	29,900,000	37,900,000	62,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sept. 17	8,130,000	*6,600,000	8,060,000	7,803,000
Pennsylvania anthracite (tons)	Sept. 17	368,000	299,000	342,000	400,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Sept. 17	150	130	139	158
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 24	14,156,000	13,903,000	14,602,000	12,878,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Sept. 22	321	305	315	282
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 20	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Sept. 20	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Sept. 20	$31.83	$31.83	$32.50	$42.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Sept. 21	32.600c	32.600c	32.600c	30.975c
Export refinery at	Sept. 21	28.925c	28.800c	29.925c	27.325c
Lead (New York) at	Sept. 21	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Sept. 21	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Sept. 21	13.500c	13.500c	13.500c	11.505c
Zinc (East St. Louis) at	Sept. 21	13.000c	13.000c	13.000c	11.005c
Aluminum (primary pig. 99.5%) at	Sept. 21	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Sept. 21	102.250c	102.250c	101.625c	102.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 27	88.75	89.50	88.96	81.71
Average corporate	Sept. 27	87.59	87.59	87.86	84.04
Aaa	Sept. 27	92.06	92.06	92.50	88.13
Aa	Sept. 27	90.20	90.06	90.20	85.59
A	Sept. 27	87.05	87.05	87.32	83.40
Baa	Sept. 27	81.66	81.90	82.15	79.49
Railroad Group	Sept. 27	85.07	84.94	85.07	82.90
Public Utilities Group	Sept. 27	88.67	88.81	89.37	83.28
Industrials Group	Sept. 27	89.09	89.23	89.51	85.98
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 27	3.67	3.58	3.64	4.36
Average corporate	Sept. 27	4.59	4.59	4.57	4.86
Aaa	Sept. 27	4.27	4.27	4.24	4.55
Aa	Sept. 27	4.40	4.41	4.40	4.74
A	Sept. 27	4.63	4.63	4.61	4.91
Baa	Sept. 27	5.05	5.03	5.01	5.23
Railroad Group	Sept. 27	4.78	4.79	4.78	4.95
Public Utilities Group	Sept. 27	4.51	4.50	4.46	4.92
Industrials Group	Sept. 27	4.48	4.47	4.45	4.71
MOODY'S COMMODITY INDEX	Sept. 27	365.1	363.4	362.7	378.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sept. 17	312,608	246,054	283,315	314,041
Production (tons)	Sept. 17	320,971	237,708	314,607	327,749
Percentage of activity	Sept. 17	93	70	92	98
Unfilled orders (tons) at end of period	Sept. 17	412,424	416,175	426,145	546,998
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Sept. 23	109.53	109.60	109.60	108.99
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sept. 2	2,042,750	2,200,970	2,068,940	1,797,350
Short sales	Sept. 2	350,500	409,800	356,790	240,090
Other sales	Sept. 2	1,736,420	1,801,530	1,754,960	1,481,820
Total sales	Sept. 2	2,086,920	2,211,330	2,111,750	1,721,910
Other transactions initiated off the floor—					
Total purchases	Sept. 2	413,400	442,320	323,830	292,770
Short sales	Sept. 2	129,050	61,030	45,220	11,200
Other sales	Sept. 2	356,050	368,200	252,310	238,200
Total sales	Sept. 2	485,100	429,230	297,530	249,400
Other transactions initiated on the floor—					
Total purchases	Sept. 2	735,800	759,635	636,650	528,890
Short sales	Sept. 2	128,890	118,000	160,600	92,530
Other sales	Sept. 2	756,128	744,058	495,880	785,275
Total sales	Sept. 2	885,018	862,058	656,480	877,805
Total round-lot transactions for account of members—					
Total purchases	Sept. 2	3,191,950	2,402,925	3,029,420	2,619,010
Short sales	Sept. 2	608,440	588,830	562,610	343,820
Other sales	Sept. 2	2,848,598	2,913,788	2,503,150	2,505,295
Total sales	Sept. 2	3,457,038	3,502,618	3,065,760	2,849,115
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Sept. 2	1,502,107	1,571,970	1,474,665	4,490,405
Dollar value	Sept. 2	$67,875,611	$76,099,644	$70,704,191	$77,055,016
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Sept. 2	1,485,709	1,582,633	1,311,430	1,169,135
Customers' short sales	Sept. 2	11,813	8,572	18,427	13,620
Customers' other sales	Sept. 2	1,473,896	1,574,061	1,293,003	1,155,515
Dollar value	Sept. 2	$67,255,176	$72,733,287	$61,063,438	$59,816,569
Round-lot sales by dealers—					
Number of shares—Total sales	Sept. 2	499,730	521,060	345,560	320,430
Short sales	Sept. 2	------	------	------	------
Other sales	Sept. 2	499,730	521,060	345,560	320,430
Round-lot purchases by dealers—Number of shares	Sept. 2	477,210	508,060	523,150	600,300
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sept. 2	932,440	858,170	796,010	467,110
Other sales	Sept. 2	14,358,670	14,908,310	12,791,610	11,482,210
Total sales	Sept. 2	15,291,110	15,766,480	13,587,620	11,949,320
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Sept. 20	119.4	119.4	119.4	119.6
Farm products	Sept. 20	87.5	*87.3	86.9	88.9
Processed foods	Sept. 20	108.3	*108.4	108.0	107.4
Meats	Sept. 20	96.1	*96.4	96.4	99.8
All commodities other than farm and foods	Sept. 20	128.2	128.3	128.3	128.3

*Revised figure. ¶Includes 1,008,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:			
Steel ingots and steel for castings produced (net tons)—Month of August	6,836,000	6,350,924	1,439,277
Shipments of steel products (net tons)—Month of July	4,710,565	5,920,860	4,131,267
AMERICAN PETROLEUM INSTITUTE—Month of June:			
Total domestic production (barrels of 42 gallons each)	234,832,000	240,095,000	238,439,000
Domestic crude oil output (barrels)	208,161,000	212,296,000	212,489,000
Natural gasoline output (barrels)	26,659,000	27,739,000	25,934,000
Benzol output (barrels)	12,000	60,000	16,000
Crude oil imports (barrels)	32,730,000	30,571,000	36,147,000
Refined product imports (barrels)	23,483,000	20,711,000	20,919,000
Indicated consumption domestic and export (barrels)	288,191,000	275,070,000	278,334,000
Increase all stocks (barrels)	2,854,000	16,307,000	17,171,000
AMERICAN RAILWAY CAR INSTITUTE—			
Month of August:			
Orders for new freight cars	1,343	1,306	1,753
New freight cars delivered	4,124	3,893	4,890
Backlog of cars on order and undelivered (end of month)	23,866	26,658	37,172
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of August (000's omitted)	$241,809,000	$223,608,000	$208,130,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of August:			
Manufacturing number	228	173	187
Wholesale number	121	106	103
Retail number	621	573	542
Construction number	217	192	181
Commercial service number	128	102	122
Total number	1,315	1,146	1,135
Manufacturing liabilities	$33,097,000	$21,080,000	$18,559,000
Wholesale liabilities	8,127,000	5,116,000	5,359,000
Retail liabilities	22,556,000	20,470,000	15,362,000
Construction liabilities	27,874,000	11,073,000	12,061,000
Commercial service liabilities	5,940,000	3,993,000	3,160,000
Total liabilities	$97,594,000	$61,732,000	$54,501,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of August	14,993	14,676	14,406
COAL EXPORTS (BUREAU OF MINES)—Month of July:			
U. S. exports of Pennsylvania anthracite (net tons)	84,805	153,800	119,477
To North and Central America (net tons)	76,942	135,695	90,162
To Europe (net tons)	7,440	16,301	8,075
To South America (net tons)	17	16	8,818
To Asia (net tons)	406	1,788	12,422
COAL OUTPUT (BUREAU OF MINES)—Month of August:			
Bituminous coal and lignite (net tons)	36,155,000	25,100,000	30,088,000
Pennsylvania anthracite (net tons)	1,590,000	1,140,000	1,600,000
COKE (BUREAU OF MINES)—Month of July:			
Production (net tons)	4,027,399	*4,602,281	3,564,200
Oven coke (net tons)	3,975,089	4,542,560	3,498,100
Beehive coke (net tons)	52,310	59,721	66,100
Oven coke stock at end of month (net tons)	4,091,623	3,891,831	3,319,170
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—			
As of August 31 (000's omitted)	$1,266,000	$1,116,000	$795,000
COPPER INSTITUTE—For month of August:			
Copper production in U.S.A.—			
Crude (tons of 2,000 pounds)	98,184	*102,060	55,321
Refined (tons of 2,000 pounds)	157,382	*132,697	83,677
Deliveries to fabricators—			
In U.S.A. (tons of 2,000 pounds)	105,417	83,788	90,123
Refined copper stocks at end of period (tons of 2,000 pounds)	97,379	*93,102	94,109
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Aug. 27	19,961,000	19,956,000	20,258,000
Spinning spindles active on Aug. 27	17,561,000	17,529,000	17,613,000
Active spindle hours (000's omitted) Aug. 27	8,605,000	7,211,000	8,817,000
Active spindle hrs. for spindles in place Aug.	430.2	360.5	440.9
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average=100—Month of August:			
Adjusted for seasonal variation	145	*149	144
Without seasonal adjustment	133	*122	132
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of May (000's omitted)	54,107,950	52,830,206	52,119,894
Revenue from ultimate customers—Month of June	$915,671,000	$891,937,000	$867,189,000
Number of ultimate customers at July 31	57,965,913	57,849,482	56,804,974
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of August:			
Seasonally adjusted	109	110	104
Unadjusted	107	104	103
INTERSTATE COMMERCE COMMISSION—			
Index of Railway Employment at middle of August (1947-49=100)	60.4	60.3	62.4
METAL OUTPUT (BUREAU OF MINES)—Month of July:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	155,127	*140,058	168,837
Silver (in fine ounces)	2,362,074	*2,568,165	2,988,104
Copper (in short tons)	89,004	*95,232	87,375
Lead (in short tons)	17,361	*19,356	19,539
Zinc (in short tons)	37,787	*39,070	31,814
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of August (in billions):			
Total personal income	$407.6	*$407.3	$383.3
Wage and salary receipts, total	275.1	*275.1	258.6
Commodity producing industries	111.7	*112.8	105.8
Manufacturing only	87.5	*88.7	83.8
Distributing industries	72.7	*72.4	69.2
Service industries	41.6	41.3	38.0
Government	49.0	48.5	45.6
Other labor income	11.2	*11.1	10.3
Business and professional	36.2	*36.2	35.0
Farm	11.5	*12.0	10.7
Rental income of persons	12.5	12.5	12.4
Dividends	14.0	13.9	13.6
Personal interest income	27.4	27.1	23.8
Transfer payments	29.1	*28.7	26.7
Less employees' contribution for social insurance	9.4	9.3	7.8
Total nonagricultural income	391.9	*391.1	368.9
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of August:			
Net sales	------	------	------
Net purchases	$44,396,900	$35,523,600	$18,255,150

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ Addison-Wesley Publishing Co., Inc.
Sept. 7, 1960 (letter of notification) 1,500 shares of class B common stock (no par). **Price**—30 cents per share. **Proceeds**—For working capital. **Office**—South St., Reading, Mass. **Underwriter**—None.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter** — American Diversified Securities, Inc., Washington, D. C.

● Admiral Homes, Inc. (10/4-5)
Aug. 15, 1960, filed $400,000 of convertible subordinated debentures, due 1970. **Price**—100% of principal amount. **Business**—The manufacture and sale of pre-fabricated homes. **Proceeds**—To be added to the working capital of the company and its subsidiary. **Office** — 149 Water Street, West Newton, Pa. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

★ Aircraft Armaments, Inc. (11/18)
Sept. 26, 1960 filed 265,500 shares of common stock, to be offered by United Industrial Corp. to holders of UIC common on the basis of one Aircraft share for each 8 UIC shares held. **Price**—To be supplied by amendment. **Business**—The issuer, wholly owned by UIC, is engaged in applied research and development in various technical fields and works largely for the Department of Defense. **Office**—Cockeysville, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Alarm Device Manufacturing Co. Inc. (10/10-14)
Sept. 19, 1960 filed 130,500 shares of outstanding common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacture and sale of burglar and fire alarm equipment. **Proceeds**—To selling stockholders. **Office**—1665 St. Marks Ave., Brooklyn, N. Y. **Underwriter**—Golkin, Bomback & Co., New York, N. Y.

Aldens Inc. (9/30)
Aug. 24, 1960 filed $6,205,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered to holders of the outstanding common of record Sept. 30, 1960, on the basis of $100 of such debentures for each 14 common shares then held with rights to expire on Oct. 17. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Lehman Brothers, New York City.

★ All American Engineering Co.
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds** — For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

● Allegri-Tech, Inc. (11/14-18)
Sept. 21, 1960 filed 100,000 shares of $1 par common stock. **Price** — $6 per share. **Business** — The company makes and sells printed circuitry and modules. **Proceeds** — To pay bank notes and other indebtedness incurred for equipment, to finance leasehold improvements, and for research and development expenses. **Office** — 141 River Road, Nutley, N. J. **Underwriter**—Myron A. Lomasney & Co., New York City.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed

Allied Maintenance Corp. (11/2)
Sept. 15, 1960 filed 152,500 shares of capital stock (par $3.75). **Price**—To be supplied by amendment. **Business**—Building maintenance and the consolidated operation of ground services for the air transport industry. **Proceeds** — To members of the Fraad family, selling stockholders. **Office** — 350 Fifth Ave., New York City. **Underwriter**—Wertheim & Co., New York City.

● Aluminum Insulating Co., Inc. (10/3-7)
Aug. 22, 1960 (letter of notification) 225,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For retirement of a bank loan, selling, advertising, promotion and for working capital. **Office**—558 W. 18th St., Hialeah, Fla. **Underwriter**—R. A. Holman & Co., Inc., is no longer underwriter. New underwriter is Dean Samitas & Co., Inc., 111 Broadway, New York City.

Amacorp Industrial Leasing Co., Inc. (10/17-21)
Sept. 9, 1960 filed 170,000 shares of common stock (no par), of which 40,000 shares, representing outstanding

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NEW ISSUE CALENDAR

September 30 (Friday)

Aldens Inc. ____ Convertible Debentures
(Offering to stockholders—underwritten by Lehman Bros.) $6,205,000
East Central Racing & Breeders Association Inc. ____ Units
(No underwriting) $831,250
Resiflex Laboratory, Inc. ____ Common
(Blunt Ellis & Simmons) 100,000 shares
Timely Clothes, Inc. ____ Conv. Debentures
(Cartwright & Parmalee) $840,000

October 3 (Monday)

Aluminum Insulating Co., Inc. ____ Common
(Dean Samitas & Co., Inc.) $225,000
American Foods Inc. ____ Common
(Godfrey, Hamilton, Magnus & Co.) $501,000
American Recreation Centers, Inc. ____ Debentures
(York & Co.) $600,000
American Recreation Centers, Inc. ____ Capital
(York & Co.) 60,000 shares
American Title Insurance Co. ____ Common
(A. C. Allyn & Co., Inc. and Bache & Co.) 301,884 shares
Commonwealth Electronics Corp. ____ Common
(L. L. Bost Co.) $300,000
Ennis Business Forms, Inc. ____ Common
(Kidder, Peabody & Co.) 74,546 shares
Foto-Video Electronics Corp. ____ Class B
(Fund Planning, Inc.) $500,000
Glen Manufacturing, Inc. ____ Common
(Loewi & Co.) $1,250,000
Heldor Electronics Manufacturing Corp. ____ Com.
(S. Schramm & Co., Inc.) $300,000
Hemingway Brothers Interstate Trucking Co. ____ Debentures
(No underwriting) $1,000,000
Indian Head Mills, Inc. ____ Common
(Blair & Co. and F. S. Smithers & Co.) 60,000 shares
Industrial Hose & Rubber Co., Inc. ____ Common
(Schrijver & Co.) $500,000
Lifetime Pools Equipment Corp. ____ Common
(First Pennington Corp.) 100,000 shares
Lithium Corp. of America, Inc. ____ Debentures
(Bear, Stearns & Co. and John H. Kaplan & Co.) $2,300,000
Louisiana Gas Service Co. ____ Common
(No underwriting) 670,000 shares
Portland Turf Association ____ Bonds
(General Investing Corp.) $300,000
Puritan Sportswear Corp. ____ Common
(Hayden, Stone & Co.) 120,000 shares
Radio Shack Corp. ____ Common
(Granbery, Marache & Co.) 200,000 shares
Reva Enterprises, Inc. ____ Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares
Riverview ASC, Inc. ____ Common
(Mallory Securities, Inc.) $300,000
Russell Stover Candies, Inc. ____ Common
(Harriman Ripley & Co., Inc. and Stern Brothers) 200,000 shrs.
Safticraft Corp. ____ Common
(George, O'Neill & Co., Inc.) $825,000
Softol, Inc. ____ Common
(Harwyn Securities, Inc.) $300,000
Spier Electronics, Inc. ____ Common
(D'Amico & Co., Inc.) $300,000
Sunset House Distributing Corp. ____ Common
(Crowell, Weedon & Co.) 150,000 shares
Syntex Corp. ____ Common
(Allen & Co.) 100,000 shares
Techni Electronics, Inc. ____ Common
(United Planning Corp.) $225,000
Technical Materiel Corp. ____ Common
(Kidder, Peabody & Co.) 120,000 shares
Temperature Engineering Corp. ____ Common
(M. L. Lee & Co., Inc.; Milton D. Blauner & Co., Inc. and F. L. Salomon & Co.) $472,500
Tenax, Inc. ____ Debentures
(Myron A. Lomasney & Co.) $1,500,000
Triangle Lumber Corp. ____ Common
(Bear, Stearns & Co.) $1,102,400
Trout Mining Co. ____ Common
(Offering to stockholders—no underwriting) $296,579
Union Texas Natural Gas Corp. ____ Class B
(Carl M. Loeb, Rhoades & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc. and Smith, Barney & Co., Inc.) 75,124 shares
Union Texas Natural Gas Corp. ____ Class A
(Carl M. Loeb, Rhoades & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc. and Smith, Barney & Co., Inc.) 150,248 shares
Vector Industries, Inc. ____ Common
(Hauser, Murdoch, Rippey & Co.) $300,000
Wenwood Organizations Inc. ____ Debentures
(Michael G. Kletz & Co., Inc.) $550,000

October 4 (Tuesday)

Admiral Homes, Inc. ____ Convertible Debentures
(Arthurs, Lestrange & Co.) $400,000
Duncan Coffee Co. ____ Capital
(Bear, Stearns & Co.) 260,000 shares
Pacific Electro Magnetics Co., Inc. ____ Common
(Pacific Coast Securities Co.) $300,000
San Diego Gas & Electric Co. ____ Bonds
(Bids 8:00 a.m. PST) $30,000,000
Whitmoyer Laboratories, Inc. ____ Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000
Whitmoyer Laboratories, Inc. ____ Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000
Youngstown Sheet & Tube Co. ____ Bonds
(Kuhn, Loeb & Co. and Smith, Barney & Co.) $60,000,000

October 5 (Wednesday)

Bruce National Enterprises, Inc. ____ Common
(George, O'Neill & Co., Inc.) $2,010,000
Topic Electronics, Inc. ____ Common
(DuPont, Homsey & Co.) $289,000
Vogue Instrument Corp. ____ Common
(S. S. Samet & Co., Inc.) $300,000

October 6 (Thursday)

Automatic Canteen Co. of America ____ Common
(Glore, Forgan & Co.) 524,000 shares
Columbia Gas System, Inc. ____ Debentures
(Bids 11:00 a.m.) $30,000,000
Household Finance Corp. ____ Debentures
(Lee Higginson Corp.; White, Weld & Co. and William Blair & Co.) $50,000,000
Kollmorgen Corp. ____ Common
(Putnam & Co.) 80,330 shares

October 7 (Friday)

Dalto Corp. ____ Common
(No underwriting) 134,739 shares

October 10 (Monday)

Alarm Device Manufacturing Co. Inc. ____ Common
(Golkin, Bomback & Co.) $522,000
Bowling Investments, Inc. ____ Common
(Copley & Co.) $300,000
Brothers Chemical Co. ____ Common
(Sandkuhl & Company, Inc.) $300,000
Carco Industries, Inc. ____ Common
(Myron A. Lomasney & Co.) $750,000
Cyclomatics, Inc. ____ Common
(General Securities Co.) $250,000
Del Electronics Corp. ____ Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000
Electromedia, Inc. ____ Common
(Baron, Black, Kolb & Lawrence, Inc.) $300,000
Federated Electronics, Inc. ____ Common
(J. B. Coburn Associates, Inc.) $300,000
Florida Hillsboro Corp. ____ Units
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) $1,150,000
Frouge Corp. ____ Common
(Van Alstyne, Noel & Co.) 150,000 shares
Frouge Corp. ____ Debentures
(Van Alstyne, Noel & Co.) $1,500,000
General Acceptance Corp. ____ Debentures
(Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co.) $20,000,000
Intercoast Companies, Inc. ____ Common
(Schwabacher & Co.) 110,000 shares
Lence Lanes, Inc. ____ Common
(Marron, Sloss & Co., Inc.) $1,050,000
Mid-States Business Capital Corp. ____ Common
(Carl M. Loeb, Rhoades & Co. and Scherck, Richter Co.) $8,250,000
Minitronics, Inc. ____ Common
(David Barnes & Co., Inc.) $300,000
Puritron Corp. ____ Common
(Bache & Co.) 250,000 shares
Robosonics, Inc. ____ Common
(Mandell & Kahn, Inc.) $900,000
Sealed Air Corp. ____ Common
(Bertner Bros. and Earl Edden Co.) $100,000
Southern Nevada Power Co. ____ Preferred
(White, Weld & Co.) $2,000,000
Southern Nevada Power Co. ____ Bonds
(White, Weld & Co.) $5,000,000
Standard Instrument Corp. ____ Common
(Havener Securities Corp.) 50,000 shares
Tech-Ohm Electronics, Inc. ____ Common
(Edward Lewis Co., Inc.) $300,000
Telephone & Electronics Corp. ____ Common
(Equity Securities Co.) $264,900
Tele-Tronics Co. ____ Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
Valdale Co., Inc. ____ Common
(B. N. Rubin & Co. and H. S. Simmons & Co.) $300,000
Willer Color Television System, Inc. ____ Common
(Equity Securities Co.) $242,670

October 11 (Tuesday)

Commonwealth Telephone Co. ____ Common
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 42,960 shares
Daffin Corp. ____ Common
(Lehman Bros. and Piper, Jaffray & Hopwood) 150,000 shares
Medlabs, Inc. ____ Common
(California Investors) $202,500
Pik-Quik, Inc. ____ Common
(A. C. Allyn & Co., Inc.) 550,000 shares
Still-Man Manufacturing Corp. ____ Class A
(Francis I. duPont & Co.) 150,000 shares

October 13 (Thursday)

Nafi Corp. ____ Debentures
(Shields & Co. and Lehman Brothers) $7,500,000
Stancil-Hoffman Corp. ____ Capital
(Pacific Coast Securities Co.) $300,000

October 14 (Friday)

Electronics International Capital Ltd. ____ Common
(Bear, Stearns & Co.) $25,000,000

October 17 (Monday)

Amacorp Industrial Leasing Co., Inc. ____ Common
(McDonnell & Co., Inc.) 170,000 shares
American Income Life Insurance Co. ____ Common
(Offering to stockholders — underwritten by Ladenburg, Thalmann & Co. and Lee Higginson Corp.) 90,174 shares
American Optical Co. ____ Conv. Debentures
(Kuhn, Loeb & Co.) $6,000,000
Associated Dry Goods Corp. ____ Debentures
(Lehman Brothers) $20,000,000

Automatic Radio Mfg. Co., Inc. Common
(Paine, Webber, Jackson & Curtis) 623,750 shares
Bzura Chemical Co., Inc. Common
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) 450,000 shares
Chemplate Corp. Common
(Keon & Co.) $130,000
Coral Aggregates Corp. Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Cryogenics Inc. Common
(John R. Maher Associates) $350,000
Deere (John) Credit Co. Debentures
(Harriman Ripley & Co., Inc.) $50,000,000
Detroiter Mobile Homes, Inc. Common
(Hornblower & Weeks) 250,000 shares
Dewey (G. C.) Corp. Common
(No underwriting) 64,500 shares
Dorsey Corp. Debentures
(Blair & Co., Inc.) $3,500,000
Dorsey Corp. Common
(Blair & Co., Inc.) 350,000 shares
Eastern Shopping Centers, Inc. Common
(Offering to stockholders—no underwriting) 1,048,167 shares
Glickman Corp. Common
(Morris Cohon & Co.) $4,000,000
International Safflower Corp. Common
(Copley & Co.) $300,000
Interstate Vending Co. Common
(Bear, Stearns & Co.) 235,000 shares
Lionel Corp. Debentures
(Offering to stockholders—underwritten by Granbery, Marache & Co.) $4,500,000
Louisville & Nashville RR. Equip. Trust Ctfs.
(Bids noon EST) $4,125,000
Mohawk Insurance Co. Common
(R. F. Dowd & Co., Inc.) $900,000
Nixon-Baldwin Chemicals, Inc. Units
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $4,000,000
Preferred Risk Life Assurance Co. Common
(Preferred Investments, Inc.) $1,500,000
Scantlin Electronics, Inc. Common
(Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis) 275,000 shares
Virginia Capital Corp. Common
(J. C. Wheat & Co.) 60,000 shares
Welded Tube Co. of America Common
(H. Hentz & Co.) $840,000
White Avionics Corp. Common
(Planned Investing Corp.) $300,000

October 18 (Tuesday)

Daystrom, Inc. Debentures
(Goldman, Sachs & Co. and R. W. Pressprich & Co.) $10,000,000
Louisville Gas & Electric Co. Bonds
(Bids 10:30 a.m. Chicago time) $16,000,000
Pacific Gas Transmission Co. Common
(Blyth & Co., Inc.; The Dominion Securities Corp. and McLeod, Young, Weir, Inc.) 552,500 shares

October 19 (Wednesday)

High Authority of the European Coal and Steel Community Bonds
(Kuhn, Loeb & Co.; First Boston Corp. and Lazard Freres & Co.) $25,000,000
High Authority of the European Coal and Steel Community Notes
(Kuhn, Loeb & Co.; First Boston Corp. and Lazard Freres & Co.) $10,000,000
Omega Precision, Inc. Common
(Pacific Coast Securities Co. and George, O'Neill & Co., Inc.) $300,000
Pacific Lighting Gas Supply Co. Debentures
(Bids 8:30 a.m. California time) $25,000,000

October 20 (Thursday)

Florida Power Corp. Bonds
(Bids 11:30 a.m. N. Y. time) $25,000,000
Green Shoe Manufacturing Co. Common
(Paine, Webber, Jackson & Curtis and F. S. Moseley & Co.) 420,000 shares
Kings Electronics Co., Inc. Units
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

October 21 (Friday)

National Airlines, Inc. Convertible Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $10,288,000

October 24 (Monday)

Canaveral International Corp. Common
(S. Schramm & Co., Inc.) 300,000 shares
Electronics, Missiles & Communications, Inc. Com.
(Frank Karasik & Co., Inc.) $300,000
Electro-Science Investors, Inc. Common
(Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc.) 772,000 shares
Fotochrome, Inc. Common
(Shearson, Hammill & Co. and Emanuel Deetjen & Co.) 220,000 shares
Horizon Land Corp. Units
(Ross, Lyon & Co., Inc.) $1,500,000
Kirk (C. F.) Laboratories, Inc. Common
(Schrijver & Co.) $299,700
Premier Microwave Corp. Common
(Van Alstyne, Noel & Co.) 100,000 shares
Williamsburg Greetings Corp. Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $1,080,000

October 25 (Tuesday)

American Telephone & Telegraph Co. Debentures
(Bids to be received) $250,000,000
Polymer Corp. Common
(White, Weld & Co. and A. G. Edwards & Sons) 20,000 shares
Polymer Corp. Conv. Debentures
(White Weld & Co. and A. G. Edwards & Sons) $2,750,000

October 28 (Friday)

Chemtronic Corp. Common
(Jay W. Kaufman & Co.) $400,000

October 31 (Monday)

Ultra-Sonic Precision Co. Inc. Common
(Merritt, Vickers, Inc.) $200,000
United Gas Corp. Bonds
(Bids to be received) $30,000,000
United Gas Corp. Debentures
(Bids to be received) $30,000,000

November 1 (Tuesday)

Dubrow Electronic Industries, Inc. Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
Gay (Connie B.) Broadcasting Corp. Common
(Hill, Darlington & Co.) 130,000 shares
Munsingwear, Inc. Conv. Debentures
(Goldman, Sachs & Co. and Piper, Jaffray & Hopwood) $3,000,000
Pacific Gas & Electric Co. Bonds
(Bids to be received) $60,000,000
Weatherford (R. V.) Co. Capital
(Blyth & Co., Inc.) 180,000 shares

November 2 (Wednesday)

Allied Maintenance Corp. Capital
(Wertheim & Co.) 152,500 shares

November 3 (Thursday)

Georgia Power Co. Bonds
(Bids to be invited) $12,000,000

November 7 (Monday)

Gremar Manufacturing Co., Inc. Common
(Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc.) 100,000 shares
Nationwide Tabulating Corp. Common
(Milton D. Blauner & Co., Inc.) $200,000

November 8 (Tuesday)

Palm Developers Limited Common
(David Barnes & Co., Inc.) $300,000

November 14 (Monday)

Allegri-Tech, Inc. Common
(Myron A. Lomasney & Co.) $600,000

November 15 (Tuesday)

Idaho Power Co. Bonds
(Bids to be received) $15,000,000
New Jersey Bell Telephone Co. Debentures
(Bids to be received) $20,000,000
Park-Electrochemical Corp. Class A
(Stanley Heller & Co. and Michael G. Kletz & Co., Inc.) $700,000
Stop & Shop, Inc. Common
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 625,000 shares
Webb (Del E.) Corp. Units
(Lehman Brothers) 160,000

November 16 (Wednesday)

Merrimack Essex Electric Co. Preferred
(Bids to be received) $7,500,000

November 17 (Thursday)

Public Service Co. of New Hampshire Bonds
(Bids to be received) $6,000,000

November 18 (Friday)

Aircraft Armaments, Inc. Common
(Offering to UIC stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 265,500 shares

November 22 (Tuesday)

Consolidated Edison Co. of New York Bonds
(Bids to be received) $75,000,000

December 1 (Thursday)

Speedry Chemical Products, Inc. Debentures
(S. D. Fuller & Co.) $2,000,000
Speedry Chemical Products, Inc. Common
(S. D. Fuller & Co.) 60,000 shares

December 5 (Monday)

Southern Bell Telephone & Telegraph Co. Debs.
(Bids to be received) $75,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.) Bonds
(Bids to be invited) $35,000,000

December 12 (Monday)

Consumers Power Co. Bonds
(Bids 11:30 a.m. EST) $35,000,000

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stock, will be offered for the account of a selling stockholder, and 130,000 shares will be offered for the account of the issuing company. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business**—The financing of industrial and office equipment through the purchase and leasing of such property to its customers. **Office**—Alhambra, Calif. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

★ American Credit Card Corp.
Sept. 6, 1960 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Proceeds**—For working capital. **Office**—163 E. St. John St., Spartanburg, S. C. **Underwriter**—None.

● American Foods Inc. (10/3-7)
Aug. 16, 1960 filed 167,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For the company's ventures in Florida and North Carolina, and the balance for working capital. **Office**—Miami, Fla. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City.

American Income Life Insurance Co. (10/17-21)
Aug. 26, 1960 filed 90,174 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each 5⅓ shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—5th and Franklin, Waco, Texas. **Underwriters**—Ladenburg, Thalmann & Co. and Lee Higginson Corp., both of New York City (managing). **Note**—This stock is not qualified for sale in New York.

American Optical Co. (10/17-21)
Aug. 31, 1960 filed $8,000,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Southbridge, Mass. **Underwriter**—Kuhn, Loeb & Co., New York City (managing).

American Playlands Corp.
Aug. 22, 1960 filed 300,000 shares of common stock. **Price**—$4 per share. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis Co., Inc., New York City.

American Recreation Centers, Inc. (10/3-15)
Aug. 15, 1960 filed $600,000 of 7% sinking fund debentures, due September, 1972 (with attached warrants for the purchase of 150, shares of stock for each $1,000 debenture purchased), and 60,000 shares of capital stock. **Price** — To be supplied by amendment. **Business** — The company is engaged, through subsidiaries, in the operation of four bowling centers, and in the sale of bowling accessories. **Proceeds** — Retirement of indebtedness, modernization of facilities, and for general corporate purposes. **Office**—1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co. of San Francisco, Calif.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

American Title Insurance Co. (10/3-7)
July 27, 1960 filed 301,884 shares of common stock (par $2), of which 150,000 shares are to be publicly offered for the account of the issuing company and the balance is to be used in connection with exchange offers for the stock of similarly engaged companies. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including possible future acquisitions. **Office**—901 N. E. 2nd Ave., Miami, Fla. **Underwriters**—A. C. Allyn & Co., Inc., and Bache & Co., both of New York City (managing).

★ Anderson Laboratories Inc.
Sept. 28, 1960 filed 150,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company and 110,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—To reduce indebtedness, buy new tools, and add to working capital. **Office** — Hartford, Conn. **Underwriter** — Putnam & Co., Hartford, Conn. (managing).

★ Arkco, Inc.
Sept. 2, 1960 (letter of notification) 2,696 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office** — 3609 Hamilton St., Hyattsville, Md. **Underwriter**—None.

● Arnoux Corp.
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York. **Offering** — Expected in mid-to-late October.

● Associated Dry Goods Corp. (10/17-21)
Sept. 19, 1960 filed $20,000,000 of 20-year sinking fund debentures. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—417 Fifth Ave., New York City. **Underwriter** — Lehman Brothers, New York City (managing).

● Associated Sales Analysts, Inc.
Aug. 15, 1960, filed 105,000 shares of outstanding class A stock (par 10 cents). **Price**—$3.50 per share. **Business**—The company is engaged in the electronic data processing and machine accounting service business. **Proceeds** — To selling stockholders. **Office** — 220 W. 42nd Street, N. Y. C. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected in late October.

● Automatic Canteen Co. of America (10/6)
Sept. 1, 1960 filed 524,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—be supplied by amendment. **Proceeds**—$9,500,000 to pay for the acquisition of Commercial Discount Corp., with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

★ Automation Industries, Inc.
Sept. 6, 1960 (letter of notification) 15,000 shares of common stock (par $1) of which 4,584 shares are to be offered for the benefit of the company. **Price**—At-the-market. **Proceeds** — For working capital. **Office** — 3613 Aviation Blvd., Manhattan Beach, Calif. **Underwriter**—None.

Automatic Radio Mfg. Co., Inc. (10/17-21)
Sept. 9, 1960, filed 623,750 shares of common stock (par $1), of which 150,000 shares will be offered for the

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account of the issuing company and 473,750 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The firm makes and sells car and portable radios. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office**—122 Brookline Ave., Boston, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Autosonics, Inc.
July 29, 1960 (letter of notification) 135,000 shares of common stock (par five cents). **Price**—$2 per share. **Proceeds**—For production and research for equipment, inventory, building and working capital. **Office**—42 S. 15th St., Philadelphia, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Transportation Bldg., Philadelphia, Pa.

● Avionics Investing Corp.
July 12, 1960 filed 250,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Expected sometime in October.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

★ Baruch (R.) & Co.
Sept. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 75 cents). **Price** — $2 per share. **Proceeds**—To take position and maintain a market in selected securities and for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—None.

★ Berman Leasing Co.
Sept. 27, 1960 filed 430,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the issuing company and 230,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The leasing, reconditioning, and sale of trucks, tractors, trailers, and related equipment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Pennsburg, Pa. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing). **Offering**—Expected in late October.

Blackman Merchandising Corp.
July 28, 1960 (letter of notification) 27,500 shares of common stock, class A (par $1). **Price**—$10 per share. **Proceeds**—For working capital. **Office**—3041 Paseo, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Bowling Investments Inc. (10/10-14)
Aug. 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—For purchase of real estate, construction of a bowling building, purchase or lease of equipment and restaurant equipment. **Office**—1747 E. 2nd St., Casper, Wyo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Bridgeport Gas Co.
Sept. 2, 1960 filed 50,000 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—$27.50 per share. **Proceeds**—To be applied to the payment of bank loans incurred for property additions which are expected to approximate $1,800,000 in 1960. **Office**—815 Main St., Bridgeport, Conn. **Underwriter**—None. **Offering**—Expected in mid-October.

● Brothers Chemical Co. (10/10-14)
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriters**—Sandkuhl & Company, Inc., Newark, N. J. and New York City and J. I. Magaril & Co., and Lloyd Haas Co., both of New York City.

● Bruce National Enterprises, Inc. (10/5)
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George, O'Neill & Co., Inc., New York.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

Buttrey Foods, Inc.
Aug. 15, 1960 filed 65,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company operates a chain of 21 retail food stores in Montana. **Proceeds**—For equipment and inventory, and for additional stores as may be opened in the future. **Office**—601 6th St., S. W., Great Falls, Montana. **Underwriter**—J. M. Dain & Co., Inc. of Minneapolis, Minn.

Buzzards Bay Gas Co., Hyannis, Mass.
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. **Offering**—Indefinitely postponed.

Bzura Chemical Co., Inc. (10/17-21)
Aug. 25, 1960 filed 450,000 shares of common stock (par 25 cents), an undetermined number of which will be offered for the account of the issuing company, with the remainder to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company makes and sells citric acid. **Proceeds** — To expand the capacity of the parent company, Bzura, Inc., for the manufacture of fumaric acid, and to enable it to produce itaconic acid, with the balance for working capital. **Office**—Broadway & Clark Streets, Keyport, N. J. **Underwriters**—P. W. Brooks & Co., Inc., and Lee Higginson Corp., both of New York City (managing).

★ Calvert Golf & Country Club, Inc.
Sept. 2, 1960 (letter of notification) 100,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses in operating a country club. **Address**—Prince Frederick, Md. **Underwriter**—None.

● Canaveral International Corp. (10/24-28)
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter** — S. Schramm & Co., Inc., New York City.

★ Cannon Electric Co.
Sept. 26, 1960 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Business**—Designs and makes electrical connectors and related wiring devices. **Proceeds**—To selling stockholders, two members of the Cannon family. **Office**—3208 Humboldt Street, Los Angeles, Calif. **Underwriter** — Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in early November.

Carco Industries, Inc. (10/10-14)
Aug. 25, 1960 filed 150,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The manufacture, assembly, sale, and installation of various metal products. **Proceeds**—For general corporate purposes, including payment of taxes, plant and equipment, and working capital. **Office** — 7341 Tulip St., Philadelphia, Pa. **Underwriter**—Myron A. Lomasney & Co., New York City.

Carhart Photo, Inc.
Sept. 7, 1960 (letter of notification) 150,000 shares of Class A preferred stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—105 College Ave., Rochester, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y.

Caribbean American Corp.
Sept. 14, 1960 filed 459,500 shares of capital stock. **Price**—$2 per share. **Business**—Caribbean real estate. **Proceeds** — For general corporate purposes. **Office** — 615 Robinson Bldg., 15th & Chestnut Sts., Philadelphia, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia, Pa.

Caruso Foods, Inc.
Sept. 2, 1960 (letter of notification) 150,000 shares of common stock (par three cents). **Price** — $2 per share. **Business**—Food processing. **Proceeds**—For general corporate purposes. **Office**—2891-99 Nostrand Ave., Brooklyn, N. Y. **Underwriter** — Searight, Ahalt & O'Connor, Inc., New York, N. Y.

Cavitron Corp.
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Unwriter**—None. **Offering**—Expected in mid-October.

★ Champion Spark Plug Co.
Sept. 23, 1960 filed 750,000 shares of outstanding common stock (par $1.66). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders, members of the Stranahan family. **Office** — Toledo, O. **Underwriters**—Blyth & Co., Inc. (handling the books), Glore, Forgan & Co., Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Smith Inc. (managing). **Offering** — Expected in October.

★ Chemplate Corp. (10/17)
Sept. 27, 1960 (letter of notification) 26,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To purchase physical assets of Kanigen division of General American Transportation Co. in California. **Address**—Los Angeles, Calif. **Underwriter** — Keon & Co., Los Angeles, Calif.

Chemtronic Corp. (10/28-11/4)
Sept. 2, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company makes and sells miniature electrolytic capacitors. **Proceeds**—For general corporate purposes, including the repayment of bank loans and the addition of technical personnel. **Office**—309 11th Ave., South, Nashville, Tenn. **Underwriter**—Jay W. Kaufmann & Co., New York City.

Cinestat Advertising Corp.
Aug. 26, 1960 filed 15,000 shares of class B capital stock. **Price**—$100 per share. **Business**—The firm sells advertising and display devices. **Proceeds**—For starting the business. **Office**—30 West Monroe St., Chicago, Ill. **Underwriter**—None.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Clark Cable Corp.
Aug. 23, 1960 filed 222,500 shares of common stock, of which 127,500 shares are to be offered for the account of the issuing company and 95,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$4 per share. **Proceeds** — To reduce indebtedness, with the balance for working capital. **Office** — Cleveland, O. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

Columbia Gas System, Inc. (10/6)
Aug. 26, 1960 filed $30,000,000 of debentures, series O, due 1985. **Proceeds**—For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Inc Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6 up to 11:00 a.m. N. Y. Time. **Information**—During business hours on Oct. 3 at 120 East 41st Street, New York City.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● Commonwealth Electronics Corp. (10/3-7)
Aug. 1, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price** — $5 per share. **Proceeds**—To purchase machinery and equipment, research and development and for working capital. **Address** — c/o Harold G. Suiter, Box 1061, Rio Piedras, Puerto Rico. **Underwriters** — L. L. Bost Co., Baltimore, Md.

Commonwealth Telephone Co. (Pa.) (10/11)
Aug. 25, 1960 filed 42,960 shares of common stock (par $10) to be offered to the holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Proceeds**—To reduce amount of outstanding bank loans. **Office**—Dallas, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

● Coral Aggregates Corp. (10/17-21)
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa.

★ Cormany Corp.
Sept. 21, 1960 (letter of notification) 91,000 shares of common stock to be sold at par ($2.50 per share). **Business**—Makes and leases oil well testing equipment. **Proceeds**—To buy such equipment and to develop new tools. **Office**—2427 Huntington Drive, San Marino, Calif. **Underwriter** — Jacoby, Daigle & Werner, Inc., 541 South Spring St., Los Angeles, Calif.

Crown Photo, Inc.
Aug. 17, 1960 filed 100,000 shares of common stock. **Price**—$8 per share. **Business**—Processing and printing photographic film. **Proceeds**—Repayment of loans, expansion of facilities, and the balance for working capital. **Office**—3132 M St., N. W., Wash., D. C. **Underwriter**—Johnston, Lemon & Co., Wash., D. C.

● Cryogenics Inc. (10/17-21)
Aug. 16, 1960 filed 175,000 shares of common stock. **Price**—For the public offering, $2 per share. **Proceeds**—To repay a bank loan, for salaries, operating expenses, purchase of land, construction of a new laboratory and working capital. **Office**—Washington, D. C. **Underwriter**—John R. Maher Associates, New York City. **Offering**—Expected sometime in October.

● Cyclomatics, Inc. (10/10-14)
Aug. 31, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Motorized and automatic health equipment. **Proceeds** — For inventory and working capital. **Office**—Astoria, L. I., N. Y. **Underwriter**—General Securities Co., 101 W. 57th St., N. Y. 19, N. Y.

Daffin Corp. (10/11)
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing.

Dakota Underwriters, Inc.
Aug. 3, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay outstanding notes and the remainder for general corporate purposes. **Office**—214 W. Third St., Yankton, S. C. **Underwriter**—Professional Insurers and Investors Ltd., 104 E. 8th St., Denver, Colo.

• Dalto Corp. (10/7)
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

• Davega Stores Corp.
Sept. 7, 1960, filed $1,500,000 of 6% convertible subordinated debentures, due 1975, to be offered to holders of its common stock pursuant to preemptive rights. **Price**—$100 per debenture. **Business**—The company operates a chain of 29 retail stores in the metropolitan New York areas in which it sells various electrical appliances and sporting goods and apparel. **Proceeds**—For general corporate purposes, including fixtures and inventory for two new retail discount centers. **Office** — 215 Fourth Ave., New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering**—Expected in early November.

Daystrom, Inc. (10/18)
Sept. 14, 1960 filed $10,000,000 of sinking fund debentures, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Business** — The company manufactures electrical and electronic products. **Proceeds**—For working capital, debt reduction, and plant and equipment. **Office**—Murray Hill, N. J. **Underwriters**—Goldman, Sachs & Co. and R. W. Pressprich & Co., both of New York City (managing).

Deere (John) Credit Co. (10/17-21)
Sept. 16, 1960 filed $50,000,000 of series A debentures, due 1985. **Price**—To be supplied by amendment. **Business**—The purchase of retail instalment paper from the 14 domestic sales branches operated by Deere & Co. subsidiaries. **Proceeds** — For general corporate purposes. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

• Del Electronics Corp. (10/10-14)
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Deluxe Aluminum Products, Inc.
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**—R. A. Holman & Co., Inc **Offering**—Expected in October.

Detroiter Mobile Homes, Inc. (10/17-21)
Aug. 17, 1960 filed 250,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of mobile homes. **Proceeds**—Approximately $1,000,000 to be invested in the capital stock of its wholly-owned subsidiary Mobile Home Finance Co., and the balance to be added to the general funds for inventory and accounts receivable. **Office**—1517 Virginia St., St. Louis, Mo. **Underwriter**—Hornblower & Weeks of New York City (managing).

(G. C.) Dewey Corp. (10/17-21)
Aug. 25, 1960 filed 64,500 shares of outstanding common stock (par one cent). **Price**—To be supplied by amendment. **Business** — Missile and electronics research and development work for the Government. **Proceeds** — To selling stockholders. **Office**—202 E. 44th St., New York City. **Underwriter**—None. **Agent**—The Empire Trust Co. of New York will receive subscriptions.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

★ Dolomite Glass Fibres, Inc.
Sept. 23, 1960 filed 200,000 shares of $10 par cumulative convertible 7% preferred stock, 1,000,000 shares of common stock, and 200,000 shares of class A common stock. **Prices**—For the preferred: $10 per share; for the class A: one share at $1 for each share of the preferred purchased; for the common: $1 per share. **Business**—Makes and sells glass fibre threads, insulations, mats, and rovings. **Proceeds**—For machinery and equipment, working capital, and research and development. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter**—None.

Dorsett Electronics Laboratories, Inc.
Sept. 15, 1960 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of various electronic data handling and control systems. **Proceeds**—For debt reduction, and for working capital for the issuer and its subsidiaries. **Address**—P. O. Box 862, Norman, Okla. **Underwriter**—To be named by amendment.

Dorsey Corp. (10/17-21)
Sept. 1, 1960 filed $3,500,000 of 6½% sinking fund debentures, due October, 1975, with warrants for the purchase of 140,000 common shares, together with 350,000 common shares. **Price**—For the 140,000 shares, $12 per share; for the 350,000 shares the price will be supplied by amendment. **Business**—The design, manufacture, and distribution of all types of highway trailers except those carrying liquids. **Proceeds**—$7,000,000 will be supplied to the purchase of all the outstanding capital stock of Chattanooga Glass Co., with the balance for general corporate purposes. **Office** — 485 Lexington Ave., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Drexel Dynamics Corp.
Aug. 26, 1960 filed 100,000 shares of common stock (no par). **Price**—$6 per share. **Business**—Research, development, and production in the fields of mechanics, electronics, optics, and functional systems. **Proceeds**—The net proceeds, estimated at $511,740, will be used for product development ($100,000), payment of notes ($16,000), and working capital ($395,740). **Office**—Philadelphia, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. (managing). **Offering** — Expected in late October or early November.

Dubrow Electronic Industries, Inc. (11/1)
Sept. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents.) **Price**—$3 per share. **Business**—Electronic equipment for military use. **Proceeds**—For general corporate purposes. **Office**—235 Penn St., Burlington, N. J. **Underwriter** — Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

• Duncan Coffee Co. (10/4-5)
Aug. 4, 1960, filed 260,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—Engaged primarily in importing, processing, packaging and distributing its own blended coffees, marketed principally under the trade names "Maryland Club" and "Admiration." **Proceeds** — To pay $2,050,000 aggregate principal amount of senior subordinated debentures maturing Dec. 31, 1960, and the balance toward the reduction of outstanding trade acceptances of the company. **Office**—1200 Carr St., Houston, Texas. **Underwriter**—Bear, Stearns & Co., New York City.

• Dynamic Center Engineering Co., Inc.
June 20, 1960 (letter of notification) 37,450 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To promote the sale of new products, for the purchase of additional equipment and working capital. **Address**—Norcross, Ga. **Underwriter**—Gaston-Buffington-Waller Inc., Atlanta, Ga., has withdrawn as underwriter. **Note**—The company states that this letter is to be withdrawn and refiled sometime in November.

East Alabama Express, Inc.
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—**First Investment Savings Corp.**, Birmingham, Ala.

★ Edwards Industries, Inc.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing).

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

Electro-Science Investors, Inc. (10/24-28)
Sept. 7, 1960, filed 772,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is a non-diversified, closed-end, management investment company, and has not as yet commenced its business of furnishing equity capital and advisory services to small buisnesses in scientific fields. **Proceeds**—To start the business. **Office**—727 South Central Expressway, Richardson, Texas. **Underwriters**—Kidder, Peabody & Co., New York City, and Rauscher, Pierce & Co., Inc., Dallas, Texas (managing).

• Electromedia, Inc. (10/10-14)
Aug. 26, 1960 (letter of notification) 100,000 shares of common stock (par $2). **Price**—$3 per share. **Proceeds**—To advertise and for payroll and working capital. **Office**—6399 Wilshire Blvd., Suite 812, Los Angeles, Calif. **Underwriter** — Baron, Black, Kolb & Lawrence, Inc., Beverly Hills, Calif.

★ Electronic & Missile Facilities Inc.
Sept. 23, 1960 filed 260,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—Builds and installs facilities for the armed forces and also does work for civilian public works agencies. **Proceeds**—For general corporate purposes including expansion. The additional funds will also enable the firm to furnish bonds necessary to bid on larger Government contracts. **Office**—2 Lafayette St., New York City. **Underwriter**—Hardy & Co., New York City.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc. of New York City and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Indefinitely postponed.

• Electronics International Capital Ltd. (10/14-19)
Sept. 16 1960 filed 2,500,000 shares of common stock (par £1). **Price**—$10 per share. **Business**—A closed-end, non-diversified management investment company. **Proceeds**—For general corporate purposes. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter**—Bear, Stearns & Co., New York, N. Y. (managing).

• Electronics, Missiles & Communications, Inc. (10/24-28)
Sept. 13, 1960 filed 150,000 shares of 10 cent par common stock. **Price**—$2 per share. **Business**—The company will make and sell communications equipment. **Proceeds**—For working capital. **Office**—262-264 East Third St., Mt. Vernon, N. Y. **Underwriter**—Frank Karasik & Co., Inc., 285 Madison Avenue, New York 17, N. Y.

Ennis Business Forms, Inc. (10/3-7)
July 14, 1960, filed 74,546 shares of outstanding common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co., New York City.

★ Excelermatic, Inc.
Sept. 19, 1960 (letter of notification) 6,666 shares of common stock (par 10 cents). **Price**—$15 per share. **Business**—Research and development of mechanical devices. **Proceeds**—To purchase services, materials and shop facilities and equipment for experimental and development purposes and for working capital and general corporate purposes. **Office**—45 Exchange Street, Rochester 4, N. Y. **Underwriter**—None.

• Fairmount Finance Co.
May 6 (letter of notification) 58,000 **shares of class A** common stock (par $5). **Price**—**At par ($5 per share). Proceeds**—For working capital. **Office—5715 Sheriff Road, Fairmount Heights, Md. Underwriter—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y. Offering**—Imminent.

Federated Electronics, Inc. (10/10-14)
Aug. 31, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share **Business**—Manufacture of electronic devices. **Proceeds**—For general corporate purposes. **Office**—134-20 Jamaica Avenue, Jamaica, N. Y. **Underwriter** — J. B. Coburn Associates, Inc., New York, N. Y.

• Federal Pacific Electric Co.
Aug. 2, 1960 filed 377,000 shares of common stock and $45,000 shares of outstanding 5½% convertible second preferred series A stock, of which 127,000 common shares represent part of the issuer's payment for all of the outstanding common of Pioneer Electric Limited. The balance will be offered publicly. **Price** — To be supplied by amendment. **Proceeds**—To acquire the cash necessary to complete the Pioneer payment (see above), with the balance to retire short-term bank loans, and be added to working capital. **Office** — 50 Terrace St., Newark, N. J. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill. (managing). **Offering** — Expected in early October.

★ Federal Street Fund, Inc.
Sept. 26, 1960 filed a minimum of $20,000,000 market value of shares of its $1 par common stock. **Price**—To be supplied by amendment. **Business**—The company is a newly organized open-end mutual fund. **Proceeds**—For investment. **Office**—140 Federal St., Boston, Mass. **Underwriter** — Goldman, Sachs & Co., New York City (managing).

First Connecticut Small Business Investment Co.
Aug. 12, 1960 filed 225,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—To retire $150,000 of debentures, and for capital for loans for small businesses. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—Grimm & Co. of New York City.

Fleetcraft Marine Corp.
July 5, 1960 (letter of notification) 150,000 shares of capital stock (no par) of which 112,500 shares are being offered by the company and the remainder for the account of the selling stockholder. **Price**—$2 per share. **Proceeds** — To pay off debts and for working capital. **Office** — c/o Robert R. Chesley, 1235 E. Florence Ave., Los Angeles, Calif. **Underwriter**—Arthur B. Hogan, Inc., Burbank, Calif.

• Florida Hillsboro Corp. (10/10-14)
Aug. 16, 1960 filed $1,000,000 of junior lien bonds, 7% series, due 1975, and 150,000 shares of common stock, to be offered in units of a $500 bond and 75 shares of common stock. Also filed were 120,000 shares of common stock. **Price**—For the units, $500 per unit; for 120,000 common shares, $1 per share. **Proceeds** — For property improvements, the repayment of indebtedness, and the balance for working capital. **Office**—Ft. Lauderdale, Fla. **Underwriters**—P. W. Brooks & Co. Inc. and Lee Higginson Corp. (for the common only), both of New York City.

Florida Power Corp. (10/20)
Sept. 8, 1960, filed $25,000,000 of first mortgage bonds, due 1990. **Proceeds** — For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. **Probable bidders**: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co., Mezzanine B, 60 Liberty St., New York City. **Bids**—Expected to be received on Oct. 20 up to 11:30 a.m. New York Time.

Fotochrome, Inc. (10/24-28)
Sept. 16, 1960 filed 220,000 shares of $1 par common stock, of which 200,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, is to be offered for the account of the present holder thereof. **Price**—To be sup-

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plied by amendment. **Business**—Film processing, the distribution of film and related supplies, and the design, development, and sale of automatic processing equipment. **Proceeds**—For general corporate purposes, including debt reduction, and the purchase of inventories of photographic supplies. **Office**—1874 Washington Ave., New York City. **Underwriters**—Shearson, Hammill & Co. and Emanuel, Deetjen & Co., both of New York City (managing).

● Foto-Video Electronics Corp. (10/3-7)
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—Fund Planning, Inc., New York City.

● Four Star Television (10/3-7)
July 27, 1960 filed 120,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries will produce and market television film series and related enterprises. **Proceeds**—For general corporate purposes. **Office**—4030 Radford Ave., North Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

Franklin Discount Co.
Aug. 23, 1960, filed $300,000 of 8% subordinated convertible debentures, due serially 1966-1968, and $300,000 of 8% subordinated capital notes due eight years, eight months and eight days after date of issue. **Prices**—At par. **Business**—The company is engaged in the consumer finance or small loan business, and, to a lesser extent, in the purchasing of car, boat, and appliance installment sales contracts from dealers. **Proceeds**—For general corporate purposes. **Office**—105 North Sage Street, Toccoa, Ga. **Underwriter**—None.

● Frouge Corp. (10/10-14)
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 150,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Price** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

(Connie B.) Gay Broadcasting Corp. (11/1)
Sept. 9, 1960 filed 130,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries own and operate radio and television stations. **Proceeds**—For the acquisition of a television station and two radio stations in Missouri. **Office** — 4000 Albemarle St., N. W., Washington, D. C. **Underwriter** — Hill, Darlington & Co., New York City (managing).

General Acceptance Corp. (10/10-14)
Sept. 14, 1960 filed $20,000,000 of senior debentures, due 1976. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., both of New York City (managing).

● General Sales Corp.
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York has withdrawn as underwriter. New underwriter is A. J. Gabriel & Co., Inc., New York City.

★ Geophysics Corp. of America
Sept. 28, 1960 filed 105,310 shares of common stock of which 18,750 shares are to be offered for the account of the issuing company and the remainder for the account of the present holders thereof. Of this remainder, 31,250 shares will constitute a part of this offering and 55,310 shares will be offered at the market from time to time. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office** — New Bedford, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

★ Georgia Power Co. (11/3)
Sept. 26, 1960 filed $12,000,000 of 30-year first mortgage bonds due 1990. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Bids**—Expected to be received on Nov. 3 at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, N. Y. C., up to 11 a.m., New York Time. **Information Meeting**—Scheduled for Oct. 31 between 2:30 p.m. and 4:30 p.m. at the Chemical Bank New York Trust Co., 11th floor, 100 Broadway, New York City.

● Glen Manufacturing, Inc. (10/3-7)
Aug. 8, 1960 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for the account of the issuing company and 25,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$10 per share. **Business**—The company makes and sells ladies' clothes, fabric covers for bathroom fixtures, and, through Mary Lester Stores, yard goods, sewing supplies, decorating fabrics, and various notions. **Proceeds**—For working capital, including initially, the reduction of short term bank loans which aggregated $2,650,000 on July 25. **Office**—320 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Milwaukee, Wis. (managing).

● Glickman Corp. (10/17-21)
Aug. 19, 1960 filed 400,000 shares of class A common stock (par $1). **Price**—$10 per share. **Business**—The company, organized in May, 1960, plans to engage in the real estate business. **Proceeds** — For general corporate purposes. **Office**—565 Fifth Ave., New York City. **Underwriter**—Morris Cohon & Co., New York City.

Great Atlantic Development Corp.
Sept. 8, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — c/o Joseph Frost, 280 Broadway, New York, N. Y. **Underwriter**—S. P. Levine & Co., Inc., New York, N. Y.

★ Great Oak Resort & Yacht Club, Inc.
Sept. 1, 1960 (letter of notification) 30,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—To purchase land, all stock of Great Oak Estates, Realty Inc., for construction and the balance for working capital. **Address**—Route 2, Box 218, Chestertown, Md. **Underwriter**—None.

Green Shoe Manufacturing Co. (10/20)
Sept. 9, 1960 filed 420,000 shares of common stock (par $3), of which 45,000 shares are to be offered for the account of the issuing company, 355,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof, and 20,000 shares have been granted to the underwriters on an option basis. **Price**—To be supplied by amendment. **Business** — The company makes and sells children's shoes under the trade name of "The Stride Rite Shoe." **Proceeds**—For general corporate purposes, including plant improvement. **Office**—960 Harrison Ave., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis and F. S. Moseley & Co., both of New York City (managing).

Gremar Manufacturing Co., Inc. (11/7-10)
Sept. 20, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Manufactures coaxial cable connectors and associated fittings for the electronic and electrical industries. **Proceeds** — For general corporate purposes, including debt reduction, inventory and construction. **Office**—7 North Ave., Wakefield, Mass. **Underwriters**—Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc., New York, N. Y.

● Gulf Resources, Inc.
Sept. 2, 1960 filed 140,000 shares of common stock (par 10 cents). **Price**—$8 per share. **Business**—Gathering natural gas in Zapata and Starr Counties, Texas. **Proceeds** — For general corporate purposes. **Office** — 20 Broad Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in November.

★ Halex, Inc.
Sept. 12, 1960 (letter of notification) $50,000 of five-year 5% debentures to be offered in denominations of $100 and 2,500 shares of common stock. **Price**—Of debentures, at par; of stock, at par ($1 per share). **Proceeds**—For working capital. **Office**—310 E. Imperial Highway, El Segundo, Calif. **Underwriter**—None.

● Heldor Electronics Manufacturing Corp. (10/10-14)
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

● High Authority of the European Coal and Steel Community (10/19)
Sept. 20, 1960 filed $25,000,000 of secured bonds, due 1980, and $10,000,000 of serial secured notes, due 1963-1965. **Prices**—To be supplied by amendment. **Business**—The nine-year-old Community aims to establish and maintain a common market in member countries for coal and steel, and is authorized to make loans to increase production, reduce the costs thereof, and encourage the distribution of coal and steel and their products. **Proceeds**—For general Community purposes. **Authorized Agent**—George W. Ball, Esq., Southern Bldg., Washington 5, D. C. **Underwriters** — Kuhn, Loeb & Co., First Boston Corp., and Lazard Freres & Co., all of New York City (managing).

Hilltop, Inc.
Aug. 17, 1960 filed $1,650,000 of 6% subordinated debentures, due 1980, and 1,650 shares of class A common stock, to be offered in units of one $1,000 debenture and one class A share. **Price** — To be supplied by amendment. **Business**—The principal business of the company, which was organized under Kansas law in June, 1959, will be the owning, acquiring, improving, developing, selling, and leasing of improved and unimproved real property. **Proceeds**—To reduce funded debt. **Office**—401 Columbian Bldg., Topeka, Kan. **Underwriter**—None.

Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds**—For general corporate purposes. **Office** — 409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

Horizon Land Corp. (10/24-28)
Aug. 29, 1960 filed $1,500,000 of 7% subordinated convertible debentures, due October 1970, and 150,000 series III, common stock purchase warrants, to be offered in units consisting of a $1,000 debenture and 100 warrants. **Price** — $1,000 per unit. **Business** — Buying and selling land. **Proceeds**—For general corporate purposes, including land acquisition and advertising expenses. **Office**—Tucson, Ariz. **Underwriter**—Ross, Lyon & Co., Inc., New York City.

Household Finance Corp. (10/6)
Sept. 16, 1960 filed $50,000,000 of debentures, due 1981. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank loans. **Office**—Prudential Plaza, Chicago, Ill. **Underwriters**—Lee Higginson Corp. (handling the books) and White, Weld & Co., New York City, and William Blair & Co., of Chicago (managing).

I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in early October.

★ Idaho Power Co. (11/15)
Sept. 21, 1960 filed 100,000 shares of common stock and $15,000,000 of first mortgage bonds due 1990. **Price**—To be supplied by amendment for the stock. **Proceeds**—For capital expenditures, etc. **Underwriter**—(For the bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. **Bids**—Expected to be received on Nov. 15.

● Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

● Indian Head Mills, Inc. (10/3-7)
Aug. 10, 1960 filed 60,000 shares of outstanding common stock (par $1), of which 50,000 shares are to be offered for the account of present holders, and the remaining shares being registered pursuant to an option agreement. **Price**—To be supplied by amendment. **Business**—Production and distribution of fabrics, and related services for fabric converters. **Proceeds**—To selling stockholders. **Office**—111 W. 40th Street, New York City. **Underwriters**—Blair & Co. and F. S. Smithers & Co., both of New York City (managing).

● Industrial Hose & Rubber Co., Inc. (10/17-21)
Aug. 31, 1960 filed 125,000 shares of common stock. **Price**—$4 per share. **Proceeds** — Toward the repayment of notes, new machinery, additional inventory, and the balance for working capital. **Office** — Miami, Fla. **Underwriter**—Schrijver & Co., New York City (managing).

● Intercoast Companies, Inc. (10/10-14)
Aug. 16, 1960 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To pay the balance due on the purchase of Western Life shares, and the balance will be added to the general funds to finance the development of general life insurance agency and for working capital. **Office**—Sacramento, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and New York City.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

● International Safflower Corp. (10/17-21)
Aug. 3, 1960 (letter of notification) 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, purchase of planting seed, lease or purchase land, building and machinery and for working capital. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Interstate Vending Co. (10/17-21)
Sept. 7, 1960, filed 235,000 shares of common stock (par $1), of which 200,000 shares will be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. (The registration statement includes an additional 206,250 shares, all outstanding, of which 100,000 shares may be offered at the market from time to time. The holders of the other 106,250 shares have advised the issuing company that no present disposition of their shares is planned.) **Price**—To be supplied by amendment. **Business**—The company sells various products through coin-operated vending machines in 22 States, and designs and makes certain vending machines for its own use. Proceeds—For acquisitions, working capital, and new equipment. **Office**—251 E. Grand Ave., Chicago, Ill. **Underwriter** — Bear, Stearns & Co., New York City (managing).

Irving Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 400,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—To be supplied by amendment. **Attorneys** — Brinsmade & Shafrann, 20 Pine Street, New York 5, N. Y.

Jahncke Service Inc.
Sept. 3, 1960 filed 156,200 shares of common stock, of which 121,200 shares are to be offered for the account of the company and 35,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For acquisitions and working capital. **Office**—New Orleans, La. **Underwriter** — Hemphill, Noyes & Co., New York City (managing).

Keller Corp.
Aug. 26, 1960 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—For working capital. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers Co., New York, N. Y.

Kings Electronics Co., Inc. (10/20)
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. Price—$4 per unit. Proceeds—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. Office—40 Marbledale Road, Tuckahoe, N. Y. Underwriters — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

★ Kingsport Press, Inc.
Sept. 27, 1960 filed 125,000 shares fo $1.25 par common stock of which 70,000 shares are to be offered for the account of the issuing company and 55,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof, including three company officers. **Price**—To be supplied by amendment. **Business**—Makes hard bound books. **Proceeds**—For expansion. **Address**—c/o Corp. Trust Co., Wilmington, Del. **Underwriters** — Lehman Brothers, New York City, and W. H. Newbold's Son & Co., Philadelphia (managing). **Offering**—Expected in early November.

★ Kirk (C. F.) Laboratories, Inc. (10/24-28)
Sept. 28, 1960 (letter of notification) 99,900 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds** — For general corporate purposes. **Office**—521 West 23rd St., New York, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y.

• Klondex Inc. (10/3-7)
Sept. 1, 1960 (letter of notification) 149,000 shares of class A stock (par one cent). **Price**—$2 per share. **Business**—Distributors of silver sensitized photo copy papers, chemicals and engineering photo reproduction materials. **Proceeds**—For general corporate purposes. **Office**—470 Clinton Ave., S., Rochester, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y.

• Koeller Air Products, Inc.
Aug. 31, 1960 filed 100,000 shares of common stock (par 5 cents) and 50,000 warrants. Each warrant allows the purchaser to buy a share of the common for $2 for a year from the date of the public offering. These securities will be offered in units of one share and a warrant to buy one share. **Price**—$2 per unit. **Business**—The firm distributes hydrogen, nitrogen, oxygen, and welding equipment. **Proceeds** — For general corporate purposes. **Office**—596 Lexington Ave., Clifton, N. J. **Underwriter**—Lloyd Securities, 150 Broadway, New York City. **Offering**—Expected in mid-October.

• Kollmorgen Corp. (10/6)
July 29, 1960 filed 80,330 shares of common stock (par $2.50) of which 35,000 shares are to be offered for the account of the issuing company and 45,330 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company makes optical equipment, including submarine periscopes, torque motors, and other electro-mechanical and electronic equipment. **Proceeds**—To redeem all of the outstanding 7% cumulative preferred; for bank debt reduction; to repay outstanding first mortgage note; for machinery and equipment; to pay a promissory note; and for working capital. **Office** — 347 King St., Northampton, Mass. **Underwriter**—Putnam & Co., Hartford, Conn. (managing.)

Lawndale Industries, Inc.
Aug. 15, 1960 filed 100,000 shares of class A stock. **Price**—$5 per share. **Business**—The manufacture of porcelain enameled steel plumbing fixtures. **Proceeds** — For the construction and equipping of a new plant, and the reduction of outstanding bank loans. **Office** — Haven & Russell Aves., Aurora, Ill. **Underwriter**—Paul C. Kimball & Co. of Chicago, Ill.

Lawter Chemicals, Inc.
Sept. 19, 1960 filed 70,000 shares of capital stock of which 20,000 shares are first to be offered to certain personnel of the company and certain friends of its management. **Price** — To be supplied by amendment. **Business**—Manufacture and sale of printing ink vehicles, fluorescent pigments and coatings, and synthetic resins. **Proceeds**—For general corporate purposes. **Office**—3550 Touhy Ave., Chicago, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago, Ill. **Offering**—Expected in late October or early November.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter**—H. M. Payson & Co., Portland, Me.

Lee Electronics Inc.
June 14, 1960 (letter of notification) 135,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To expand operations. **Office**—3628 Rhawn St., Philadelphia, Pa. **Underwriter** — Atlantic Equities Co., Washington, D. C.

Lence Lanes, Inc. (10/10-14)
July 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—$6 per share. **Business**—The company operates automatic bowling centers, associated ventures such as restaurants, bars, and luncheonettes, sells supplies, and rent lockers, shoes, and meeting rooms. **Proceeds**—To reduce indebtedness, complete Garfield Lanes in Jersey City, N. J., and for working capital. **Office**—4650 Broadway, New York City. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

Lifetime Pools Equipment Corp. (10/3-7)
July 1, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

• Lionel Corp. (10/17-21)
Sept. 2, 1960 filed $4,500,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered for subscription to holders of the outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness, expand the research and development program, and add to working capital. **Office**—28 Sager Place, Irvington, N. J. **Underwriter**—Granbery, Marache & Co., New York City (Managing).

• Lithium Corp. of America, Inc. (10/3-7)
Aug. 19, 1960 filed $2,300,000 of convertible subordinated debentures, due 1970. **Price**—To be supplied by amendment, but the new debentures will first be offered in exchange for $925,000 of outstanding 5% convertible debentures maturing in 1964. **Proceeds**—For construction, liquidation of bank debt, replacement of working capital, and the purchase of mining equipment. **Office**—500 Fifth Ave., New York City. **Underwriters** — Bear, Stearns & Co. and John H. Kaplan & Co., both of New York City (managing).

• Louisiana Gas Service Co. (10/3)
June 10, 1960, filed 670,000 shares of common stock (par $10) to be issued by Louisiana Power & Light Co. to stockholders of Middle South Utilities, Inc., of record Sept. 28 on the basis of one share of Louisiana Gas Service Co. common stock for each 25 shares of common stock of Middle South held (with an additional subscription privilege) with rights to expire at 3:30 p.m. N. Y. Time on Oct. 24. **Price**—$10.375 per share. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

Louisville Gas & Electric Co. (10/18)
Sept. 15, 1960 filed $16,000,000 of first mortgage bonds. **Proceeds** — For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18, at Room 1100, 231 South La Salle St., Chicago, Ill., at 10:30 a.m. Chicago Time.

• Major League Bowling & Recreation, Inc.
Sept. 16, 1960 filed 150,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Business**—The corporation operates or has under construction 17 bowling centers in the southeastern part of the U. S. **Proceeds**—To complete centers and for the development or acquisition of additional centers. **Office**—Richmond, Va. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City, and J. C. Wheat & Co., Richmond, Va. (managing). **Offering**—Expected in late October.

★ Mary Carter Paint Co.
Sept. 23, 1960 filed 375,000 shares of class A common stock (par $1), of which 75,000 shares are to be offered for the account of the issuing company, and 300,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The firm makes various paint products for retail distribution. **Proceeds**—For debt reduction, expansion, and working capital. **Office**—666 Fifth Ave., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early-to-mid November.

★ Matheson Co., Inc.
Sept. 27, 1960 filed 160,000 shares of common sotck ($1 par), of which 40,000 shares are to be offered for the account of the issuing company and 120,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company sells chemical gases, chemicals, regulators and valves. **Proceeds** — To redeem all the outstanding shares of 6% cum. preferred stock at $21 per share, with the remainder to be added to the issuer's general funds. **Office**—932 Paterson Plank Road, East Rutherford, N. J. **Underwriter**—White, Weld & Co., Inc., New York City (managing). **Offering**—Expected in mid-November.

★ Medlabs, Inc. (10/11)
Sept. 12, 1960 (letter of notification) 90,000 shares of common stock (no par). **Price**—$2.25 per share. **Proceeds**—To repay a bank loan, renovate West Lake Hospital, establish and promote a laboratory mail order business and for working capital. **Office**—660 S. Bonnie Brae, Los Angeles, Calif. **Underwriter**—California Investors, Los Angeles, Calif. **Note**—The name of the issuing company is expected to be changed to American Laboratories, Inc.

Merrimack-Essex Electric Co. (11/16)
Sept. 20, 1960 filed 75,000 shares of cumulative preferred stock (par $100). **Proceeds**—For reduction of short-term indebtedness. **Business**—The issuer is a subsidiary of the New England Electric System and conducts its business of generating, buying, and selling electricity in north-eastern Massachusetts. It sells appliances related to its business. **Office**—205 Washington St., Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp. **Bids**—Expected to be received on Nov. 16. **Information Meeting**—Scheduled for Nov. 4.

Metcom, Inc.
Sept. 2, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company makes microwave tubes and devices. **Proceeds**—For working capital, machinery and equipment, the retirement of a mortgage loan, and research and development. **Office** — 76 Lafayette Street, Salem, Mass. **Underwriter** — Hayden, Stone & Co., New York City. **Offering**—Expected sometime in October.

Metropolitan Development Corp.
June 8 filed 1,000,000 shares of capital stock. Price—To be supplied by amendment. Proceeds—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. Office—Los Angeles, Calif. Underwriters—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City. Offering—Indefinitely postponed.

★ Metropolitan Telecommunications Corp.
Sept. 27, 1960 filed $600,000 of convertible subordinated debentures, to be offered for the account of the issuing company, and 25,000 shares of outstanding common stock, to be offered for the account of four company officers, the selling stockholders. **Prices**—For the debentures, at par; for the common, to be supplied by amendment. **Business**—The company makes and sells electronic and communications equipment. **Proceeds**—For general corporate purposes including debt reduction, working capital, and expansion. **Office** — Ames Court, Plainview, N. Y. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York City (managing). **Offering**—Expected in mid-November.

Meyer (Geo.) Manufacturing Co.
Sept. 19, 1960 filed 146,300 shares of common stock. **Price**—To be supplied by amendment. **Business**—To design, manufacture and sell specialized high speed machinery and equipment for use in packaging, bottling, filling, closing, electronically inspecting, labeling, banding, cleaning, etc. **Proceeds** — To selling stockholders, the owning family. **Address** — Cudahy, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee, Wis.

• Mid-States Business Capital Corp. (10/10-14)
Sept 9, 1960, filed 750,000 shares of common stock (par $1). **Price**—$11 per share. **Business**—The company will invest in small business concerns. **Proceeds** — For general corporate purposes. **Office**—411 N. 7th St., St. Louis, Mo. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York City, and Scherck, Richter Co., St. Louis, Mo. (managing).

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

• Milgo Electronic Corp.
July 28, 1960 filed 65,000 shares of common stock (par $1) being offered to holders of record Sept. 16, of the outstanding common on the basis of one new share for each six shares held with rights to expire on Oct. 13. **Price**—$16 per share. **Business**—Making and selling electronic equipment and systems for missile and space programs. **Proceeds** — For reduction of short-term bank loans, $635,000; for expansion, $200,000; for product development, $125,000. The balance will be used as working capital. **Office**—7620 N. W. 36th Ave., Miami, Fla. **Underwriter**—Shearson, Hammill & Co., New York City.

• Minitronics, Inc. (10/10-14)
Aug. 26, 1960 (letter of notification) 100,000 shares of class A common stock (par 20 cents). **Price**—$3 per share. **Business**—To manufacture a new type of micro-miniature magnetic relay. **Proceeds** — For general corporate purposes. **Office**—373 Broadway, New York, N. Y. **Underwriter**—David Barnes & Co., Inc., New York, N. Y.

• Missouri Public Service Co.
Aug. 1, 1960 filed 258,558 shares of common stock (par $1) to be offered to the holders of the outstanding common of record on or about Sept. 27 on the basis of one new share for each eight shares held with rights to expire on or about Oct. 13. **Price** — To be supplied by amendment. **Proceeds**—To reduce short-term bank loans incurred in 1959-60 for construction expenses. **Office**—Kansas City, Mo. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing). **Note**—Offering temporarily postponed.

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★ Model Engineering & Manufacturing Corp.
Sept. 21, 1960 filed 130,000 shares of common capital stock. **Price**—To be supplied by amendment. **Business**—The company makes and sells equipment for the electrical, automotive, and aviation industries. **Proceeds**—To reduce indebtedness and for working capital. **Office**—50 Frederick St., Huntington, Ind. **Underwriter**—Raffensperger, Hughes & Co., Indianapolis, Ind. (managing).

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Mohawk Insurance Co. (10/17-24)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co. Inc., 39 Broadway, New York 6, N. Y.

★ Munsingwear, Inc. (11/1-4)
Sept. 23, 1960 filed $3,000,000 of convertible subordinated debentures, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Business**—Manufacturer of apparel. **Proceeds**—Repayment of bank loans. **Office**—718 Glenwood Ave., Minneapolis, Minn. **Underwriters**—Goldman, Sachs & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn.

● Nafi Corp. (10/13-14)
Aug. 23, 1960 filed $7,500,000 of 20-year convertible subordinated debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To pay part of instalment to become due for the purchase of Chris-Craft stock. **Office**—527 23rd Ave., Oakland, Calif. **Underwriters**—Shields & Co. and Lehman Brothers, both of New York City (managing).

★ National Airlines, Inc. (10/21)
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing).

National Consolidated Development Corp.
July 25, 1960 filed 70,000 shares of class B common (non-voting) stock. **Price**—$100 per share. **Business**—To acquire business properties, and operate, lease, or sell them for a profit. **Proceeds**—For general corporate purposes, with initial activities scheduled for Phoenix, Ariz. **Office**—South 1403 Grand Ave., Spokane, Wash. **Underwriter** — The stock will be offered through authorized and qualified brokers.

National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—410 Livingston Avenue North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y. **Offering**—Indefinite.

National Western Life Insurance Co.
Sept. 13, 1960 filed 225,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the sale of shares to be issued as a result of options, in the amount of $1,106,407.50 for the discharge of indebtedness and general corporate purposes. **Office**—Denver, Colo. **Underwriter**—Peters, Writer & Christensen Inc., Denver, Colo.

Nationwide Tabulating Corp. (11/7-10)
Sept. 19, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Tabulating of industry and government records. **Proceeds**—For general corporate purposes including working capital. **Office**—384 Clinton St., Hempstead, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York, N. Y.

Natural Gas Pipeline Co. of America
July 1, 1960, filed $25,000,000 of first mortgage pipeline bonds, due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Business**—Public utility. **Underwriters**—Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc., both of New York. **Offering**—Postponed pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

Natural Gas Pipeline Co. of America
July 1, 1960, filed 150,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Underwriter**—Dillon, Read & Co. Inc., New York. **Offering**—Postponed pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

● Navajo Freight Lines, Inc.
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly). **Offering** — Expected in mid-October.

Nissen Trampoline Co.
Sept. 20, 1960 filed 85,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Cedar Rapids, Ia. **Underwriter** — Jesup & Lamont, New York City.

Nixon-Baldwin Chemicals, Inc. (10/17-21)
Aug. 24, 1960 filed $4,000,000 of 6½% subordinated debentures, due Oct. 1, 1980, and 160,000 shares of common stock, to be offered in units. Each unit will consist of $500 principal amount of debentures and an unannounced number of common shares. **Price**—$500 per unit. **Business**—The manufacturing and sale of rigid thermoplastic sheeting, rods, tubes, and other forms. **Proceeds**—To pay part of the cost of acquiring certain assets of Nixon Nitration Works; part of the proceeds will be used for working capital. **Office**—Nixon, N. J. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York City (managing).

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

★ Nu-Line Industries, Inc.
Sept. 28, 1960 filed 200,000 shares of common stock, of which 175,000 shares are to be offered for the account of the issuing company and 25,000 shares, representing outstanding stock, are to be offered for the account of the issuer's president. **Price**—To be supplied by amendment. **Proceeds**—For capital equipment, research, sales development, and working capital. **Office**—Minneapolis, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Nupack Corp.
Aug. 12, 1960 (letter of notification) 93,574 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Address**—Reinbeck, Iowa. **Underwriter**—R. G. Dickinson & Co., Des Moines, Iowa.

★ Oasis Mobile Home Park, Inc.
Sept. 6, 1960 (letter of notification) 15,000 shares of common stock (par $5). **Price**—$20 per share. **Proceeds**—For construction of additional units, acquisition of additional real property, and for working capital. **Office**—6700 E. Thomas Rd., Phoenix, Ariz. **Underwriter**—None.

★ Omega Precision, Inc. (10/19)
Sept. 26, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price** — $2.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes, including working capital. **Address**—Azusa, Calif. **Underwriters**—Pacific Coast Securities Co., San Francisco, Calif. and George, O'Neill & Co., Inc., New York, N. Y.

Pacific Electro Magnetics Co., Inc. (10/4)
Sept. 2, 1960 (letter of notification) 60,000 shares of common stock (no par). **Price**—$5 per share. **Business**—The research, development, manufacture, and sale of instrumentation devices for scientific analysis and industrial testing. **Proceeds**—For working capital. **Office**—942 Commercial St., Palo Alto, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

● Pacific Gas Transmission Co. (10/18)
Sept. 20, 1960 filed 552,500 shares of common stock. **Price**—To be supplied by amendment. **Office**—San Francisco, Calif. **Underwriters** — Blyth & Co., Inc.; The Dominion Securities Corp.; McLeod, Young, Weir, Inc., all of New York City.

Pacific Lighting Gas Supply Co. (10/19)
Sept. 9, 1960, filed $25,000,000 of sinking fund debentures, due 1980. **Business**—The issuer is a subsidiary of Pacific Lighting Corp., San Francisco, Calif. **Proceeds**—To finance current construction and repay short-term loans to its parent, Pacific Lighting Corp. **Office** — 720 W. 8th Street, Los Angeles, Calif. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). **Bids**—To be received on Oct. 19 in room 1329, 720 W. 8th Street, Los Angeles, Calif., at 8:30 a.m. California time. **Information Meeting** — Scheduled for Oct. 14 at 11:00 a.m. at the Irving Trust Co., 47th floor.

★ Paddington Corp.
Sept. 28, 1960 filed 36,498 shares of outstanding common stock. **Price**—To be related to the price of the stock on the American Stock Exchange at the time of the public offering. **Proceeds**—To selling stockholders. **Office**—630 Fifth Ave., New York City. **Underwriters**—Lee Higginson Corp. and H. Hentz & Co., both of New York City (managing).

Palm Developers Limited (11/8)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

★ Park Electrochemical Corp. (11/15)
Sept. 22, 1960 filed 175,000 shares of 10 cent par class A stock. **Price**—$4 per share. **Business**—The firm designs and makes anodyzed aluminum specialty components for cars, planes, appliances, and other objects needing naming devices. **Proceeds**—For working capital, debt reduction, and research and development. **Office**—Flushing, L. I., N. Y. **Underwriters** — Stanley Heller & Co., and Michael G. Kletz & Co., Inc., both of New York City with the latter handling the books. **Offering**—Expected in November.

● Pearson Corp.
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York. **Note**—The SEC announced on Sept. 26 that the offering has been suspended.

Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock being offered for subscription by stockholders of record Aug. 25, at the rate of one new share for each 5½ shares held with rights to expire at 3:30 p.m. on Oct. 31. **Price**—U. S. price is 1.3 cents per share; Philippine price is 3 centavos per share. **Proceeds** — To be added to the company's working capital. **Office**—Soriano Bldg., Manila, Philippines. **Underwriter**—None.

Photogrammetry, Inc.
Aug. 10, 1960 (letter of notification) 13,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For retirement of a short term note and working capital. **Office** — 922 Burlington Ave., Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

● Pik-Quik, Inc. (10/11)
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

Polymer Corp. (10/25)
Sept. 16, 1960 filed $2,750,000 of convertible subordinated sinking fund debentures, due 1975, and 20,000 shares of class A non-voting common stock. **Prices**—To be supplied by amendment. **Business** — The company makes nylon rod, plate, strip, and tubing, Teflon, and plastic powders for coating metals. **Proceeds**—From the common stock, to the present holder thereof; from the debentures, for general corporate purposes, including debt reduction and working capital. **Office** — Reading, Pa. **Underwriters**—White, Weld & Co., New York City, and A. G. Edwards & Sons, St. Louis, Mo. (managing).

Polytronics Laboratories, Inc.
Aug. 19, 1960, (letter of notification) 150,000 shares of class A stock (par 10 cents). **Price**—$1 per share. **Business**—The manufacture and sale of two way radios. **Proceeds**—For general corporate purposes; research and development and inventory investment to produce an amateur band transciever; research and development and inventory investment in a new product in the two-way radio field; to purchase new test equipment; for working caiptal and to pay the cost of acquiring expanded facilities. **Office**—253 Crooks Avenue, Clifton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in October.

Portland Reporter Publishing Co.
Sept. 12, 1960 filed 175,000 shares of common stock, of which 125,000 shares are to be publicly offered, 39,000 shares sold to employees, and 11,000 shares exchanged for property or services. **Price**—$10 per share. **Business**—The company intends to publish an afternoon newspaper in Portland, Oreg. **Proceeds**—For general corporate purposes. **Office**—1130 S. W. 3rd Ave., Portland, Oreg. **Underwriter**—None.

Portland Turf Association (10/3-7)
July 29, 1960 (letter of notification) $300,000 of 10% first mortgage registered bonds, due July 1, 1970. **Price**—At face amount. **Proceeds**—For purchase of a track, to retire bonds and for working capital. **Office**—2890 Bellevue, West Vancouver, B. C., Canada. **Underwriter**—General Investing Corp., New York, N. Y.

Preferred Risk Life Assurance Co. (10/17-11/1)
Aug. 18, 1960 filed 300,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For general corporate purposes. **Office** — 20 East Mountain St., Fayetteville, Ark. **Underwriter**—Preferred Investments, Inc., a subsidiary of the issuer.

● Premier Microwave Corp. (10/24-28)
Aug. 26, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company designs, develops, and produces microwave components. **Proceeds**—To reduce indebtedness and add to working capital. **Office** — 33 New Broad St., Portchester, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Progress Electronics Corp.
Aug. 3, 1960 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To

develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Underwriter**—Jacoby, Daigle & Werner, Inc., Los Angeles, Calif.

● Puritan Sportswear Corp. (10/3-7)
Aug. 24, 1960 filed 120,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The firm makes and sells sportswear for men and boys. **Proceeds**—To selling stockholders. **Office**—813 25th St., Altoona, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

● Puritron Corp. (10/10-14)
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing).

R. C. Can Co.
Aug. 25, 1960 filed 230,000 shares of common stock, of which 50,000 shares will be offered for the account of the issuing company and 180,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of fibre-bodied cans and containers of various sizes. **Proceeds**—For general corporate purposes. **Office**—9430 Page Blvd., St. Louis, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis, Mo. (managing). **Offering**—Expected sometime in November.

★ R. E. D. M. Corp.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price** $3.50 per share. **Proceeds**—For working capital ($217,250) and production machinery and equipment ($50,000). **Office**—Little Falls, N. J. **Underwriter**—Robert Edelstein & Co., Inc., New York City.

Radio Shack Corp. (10/3-7)
Aug. 16, 1960, filed 200,000 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuer, and the remaining 50,000 shares by present holders thereof. **Price** — To be supplied by amendment. **Business**—Distributors of electronics products, sound components, and small appliances. **Office**—730 Commonwealth Avenue, Boston, Mass. **Underwriter** —Granbery, Marache & Co., New York City.

● Resiflex Laboratory, Inc. (9/30)
July 18, 1960, filed 100,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company, and 60,000 shares, being outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** —The manufacture and sale of disposable plastic tubular products, and the assembling and marketing of blood donor sets. **Proceeds** — For plant expansion, increased production facilities, and working capital. **Office**—864 South Robertson Blvd., Los Angeles, Calif. **Underwriter** —Blunt Ellis & Simmons, Chicago, Ill.

● Resisto Chemical, Inc.
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in November.

● Reva Enterprises, Inc. (10/3-7)
July 28, 1960 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—The establishment and operation of bowling centers. **Proceeds**—For general corporate purposes. **Office**—525 Lincoln St., Worcester, Mass. **Underwriters**—Blair & Co., Inc., New York City and Chace, Whiteside & Winslow Inc., Boston, Mass. (managing).

Riddle Airlines, Inc.
Aug. 19, 1960 filed $2,250,000 of 6% subordinated convertible debentures. **Price**—At 100% of principal amount. **Proceeds** — To be used as operating capital to fulfill M. A. T. S. contract, and to acquire aircraft. **Office**—International Airport, Miami, Fla. **Underwriter**—James H. Price & Co., Coral Gables, Fla., and New York City.

● Riverview ASC, Inc. (10/3-7)
July 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To reduce current liabilities, construction and for working capital. **Office**—2823 S. Washington Ave., Titusville, Fla. **Underwriter**—Mallory Securities, Inc., New York, N. Y.

● Robosonics, Inc. (10/10-14)
Sept. 14, 1960 filed 180,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Business**—The company makes and sells an automatic telephone answering device, and an automatic intelligence reproduction machine. **Proceeds**—For general corporate purposes. **Office** —22 W. 48th St., New York City. **Underwriter**—Mandell & Kahn, Inc., New York City.

★ Rotron Manufacturing Co., Inc.
Sept. 21, 1960 filed 130,000 shares of common stock (par 5 cents), of which 65,000 shares are to be offered for the account of the issuing company and 65,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Makes air and gas moving devices for military and industrial use. **Proceeds**—For inventory, expansion, and debt reduction. **Office**—7-9 Hasbrouch Lane, Woodstock, N. Y. **Underwriter**—W. E. Hutton & Co., New York City (managing).

● Russell Stover Candies, Inc. (10/3-7)
Aug. 3, 1960 filed 200,000 shares of common stock (par $1), of which up to 75,000 shares may be reserved for certain of the issuer's officers and employees, with the balance to be offered publicly. **Price**—To be supplied by amendment. **Proceeds** — For redemption of outstanding preferred, with the balance for working capital. **Office**—1206 Main St., Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., New York City, and Stern Brothers, Kansas City, Mo.

● Safticraft Corp., Patterson, La. (10/3-4)
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

★ Sampson-Miller Associated Companies, Inc.
Sept. 28, 1960 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—To retire indebtedness, develop acreage, and to finance the increased use of instalment sales contracts, with the balance to finance the purchase of additional property. **Office**—Pitcairn, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh, Pa. (managing).

San Diego Gas & Electric Co. (10/4)
Aug. 30, 1960 filed $30,000,000 of bonds, series H, due 1990. **Proceeds**—For the repayment of bank loans and for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co., and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received on Oct. 4 at room 1200, 111 Sutter St., San Francisco, Calif., up to 8:00 a.m. PST.

★ Save-Co Veterans & Services & Department Stores, Inc.
Sept. 26, 1960 filed 163,636 shares of common stock, of which 127,273 shares are to be offered for the account of the issuing company and 36,363 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company operates a department store and gasoline service station the use of which is restricted primarily to veterans, military personnel, employees of non-profit organizations, and employees of firms doing government contract work. **Proceeds**—For general corporate purposes, including debt reduction and working capital. **Office**—3176 Frontier St., San Diego, Calif. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. (managing). **Offering**—Expected in early November.

Sawtooth Development Co., Inc.
Aug. 24, 1960 filed 10,000 shares of common stock. **Price** —At par ($50 per share). **Proceeds**—For working capital. **Address**—Hailey, Idaho. **Underwriter**—None.

● Scantlin Electronics, Inc. (10/17-21)
Aug. 29, 1960 filed 275,000 shares of no par common stock, of which 175,000 shares are to be offered for the account of the issuing company, 75,000 shares for the account of selling stockholders, and 25,000 shares may be optioned by the underwriters. **Price**—To be supplied by amendment. **Business** — The company makes, sells, and leases proprietary electronic devices. **Proceeds**—For general corporate purposes, including the reduction of indebtedness. **Office** — 2215 Colby Ave., Los Angeles, Calif. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis, both of New York City (managing).

Scharco Manufacturing Corp.
Sept. 13, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business** — Manufacturers of baby carriages, strollers, high-chairs, feed and play tables, doll carriages, toy chests and similar products. **Proceeds**—For general corporate purposes. **Office**—117 N. Third Avenue, Mt. Vernon, N. Y. **Underwriter** — L. C. Wegard & Co., U. S. Highway 130 W, Burlington, N. J. **Offering**—Expected in November.

Scott, Foresman & Co.
Sept. 21, 1960 filed 633,000 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Business**—Publishing school textbooks. **Proceeds** —To selling stockholders. **Office** — 433 East Erie St., Chicago, Ill. **Underwriter** — Smith, Barney & Co. Inc., New York City (managing). **Offering**—Expected in late October or early November.

● Sealed Air Corp. (10/10-14)
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 330 Wagaraw Rd., Hawthorne, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Securities Acceptance Corp.
Aug. 31, 1960 (letter of notification) 10,000 shares of 5% cumulative preferred stock (par $25). **Price**—$24.50 per share. **Proceeds**—For working capital. **Office**—304 S. 18th St., Omaha, Neb. **Underwriters**—The First Trust Co. of Lincoln, Lincoln, Neb.; Storz-Wachob-Bender Corp., Omaha, Neb. and Cruttenden, Podesta & Co., Chicago, Ill.

Security Annuity Life Insurance Co.
Sept. 8, 1960, filed 300,000 shares of common stock. **Price**—$7 per share. (The issuer's subsidiary, Annuity Life Insurance Co., which will register with the SEC as an open end diversified management investment company, was a partner in the registration.) **Business** —The sale of various forms of life insurance, annuities, and health and accident insurance. **Proceeds**—For general corporate purposes. **Office**—713 Marion E. Taylor Building, Louisville, Ky. **Underwriter**—None.

Seven Mountain Corp.
Aug. 12, 1960 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Business**—To construct an all-year resort area and a gondola-type aerial cableway, southeast of Provo, Utah, in the Wasatch Mountains. **Proceeds** —For the purchase of property, construction and equipment, retirement of notes, and the balance for working capital. **Office**—240 East Center St., Provo, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

★ Sexton (John) & Co.
Sept. 26, 1960 filed 200,000 shares of common stock (no par), of which 33,000 shares are to be offered for the account of the issuing company and 167,000 shares, representing outstanding stock, are to be sold for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Food distribution, chiefly to institutions. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing). **Offering**—Expected in early-to-mid November.

Simon Hardware Co.
Sept. 9, 1960, filed $900,000 of sinking fund debentures, due Sept. 30, 1972, with warrants, and 700,000 shares of common stock, to be offered in units of a $1,000 debenture and warrants to purchase 100 common shares. **Price** —To be supplied by amendment. **Business**—The firm sells a diversified line of consumer goods through a store in Oakland, Calif., and proposes to open additional stores in Hayward and Walnut Creek. **Proceeds**—To reduce bank borrowings and for equipping the new stores. **Office**—800 Broadway, Oakland, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

★ Simplex Wire & Cable Co.
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● Softol, Inc. (10/3-7)
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter** —Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y. **Note**—This issue was refiled on Sept. 7.

Solitron Devices, Inc.
Sept. 9, 1960 filed $400,000 of 6% subordinated convertible debentures, due 1967. **Price**—At par. **Business**—The company makes and sells solid state devices. **Proceeds**—For general corporate purposes. **Office**—67 South Lexington Ave., White Plains, N. Y. **Underwriter**—Casper Rogers & Co., New York City.

● Southern Nevada Power Co. (10/10-14)
Aug. 26, 1960 filed $5,000,000 of first mortgage bonds, series E, due 1990 and $2,000,000 of $20 par preferred stock (100,000 shares). **Proceeds**—For construction and repayment of bank loans. **Address**—P. O. Box 230, Las Vegas, Nev. **Underwriter**—White, Weld & Co., of New York City (managing).

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

★ Speedry Chemical Products Inc. (12/1)
Sept. 28, 1960 filed $2,000,000 of convertible subordinated debentures, due Nov. 30, 1975, and 60,000 shares of class A common stock (50c par). **Prices**—To be supplied by amendment. **Business**—The company makes special purpose inks and devices used in their application. **Proceeds** —For expansion, acquisitions, and the retirement of bank loans. **Office** — 91-31 121st St., Richmond Hill, Queens, L. I., N. Y. **Underwriter** — S. D. Fuller & Co., New York City (managing).

● Spier Electronics, Inc. (10/3-7)
Aug. 24, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of electronic products. **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1949-51 McDonald Ave., Brooklyn, N. Y. **Underwriter**—D'Amico & Co., Inc., 15 William St., New York, N. Y.

★ Stancil-Hoffman Corp. (10/13)
Sept. 27, 1960 filed 150,000 shares of capital stock. **Price** —$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

● Standard Instrument Corp. (10/10-14)
Aug. 26, 1960 (letter of notification) 50,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of electrical devices. **Proceeds**—For general corporate purposes. **Office** —657 Broadway, New York 21, N. Y. **Underwriter** — Havener Securities Corp., New York, N. Y.

★ Standard Pressed Steel Co.
Sept. 27, 1960 filed 112,760 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Jenkintown, Pa. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

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★ Standard Union Life Insurance Co.
Sept. 12, 1960 (letter of notification) 15,000 shares of common stock (par $1) to be offered to dealers in Alabama in exchange for shares in other corporations having equal market value. **Price**—At-the-market. **Proceeds**—For working capital and surplus. **Office**—3381 Atlanta Highway, Montgomery, Ala. **Underwriter**—None.

Starfire Boat Corp.
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—809 Kennedy Bldg., Tulsa, Okla. **Underwriters**—Batten & Co., Washington, D. C. and F. R. Burns & Co., Oklahoma City, Okla.

Stephan Co.
Sept. 2, 1960 filed 150,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Business**—The manufacture and sale of men's hair lotions, shampoos, after shave preparations, and toilet waters. **Proceeds**—$250,000 for advertising and sales promotion, primarily for new products with the balance for general corporate purposes. **Office**—Professional Bldg., Ft. Lauderdale, Fla. **Underwriter**—D. Gleich & Co., New York City. **Offering**—Expected sometime in October.

Still-Man Manufacturing Corp. (10/11)
Aug. 22, 1960 filed 150,000 outstanding shares of class A stock (par 75 cents). **Price**—To be supplied by amendment. **Business**—The company makes heating elements for small appliances and components for major appliances, and related items. **Proceeds**—To selling stockholders. **Office**—429-33 East 164 St., New York City. **Underwriter**—Francis I. duPont & Co., New York City.

★ Stop & Shop, Inc. (11/15)
Sept. 23, 1960 filed 625,000 shares of outstanding $1 par common stock. **Price** — To be supplied by amendment. **Business** — The firm operates 118 self-service supermarkets in New England. **Proceeds**—To selling stockholders, the Rabb family. **Office**—393 D St., Boston, Mass. **Underwriters** — Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

Storm Mountain Ski Corp.
June 30, 1960, filed $500,000 of 8% subordinated debentures due 1975 and 100,000 shares of common stock, to be offered for public sale in units consisting of a $50 debenture and 10 shares of stock. **Price**—$75 per unit. **Proceeds** — To pursue the development of the resort. **Office** — Steamboat Springs, Colo. **Business** — Company was organized for the purpose of developing and operating a ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs. **Underwriter**—None.

★ Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriter**—None; the offering will be made through officials and employees of the company.

★ Sulray, Inc.
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of specialized drugs. **Proceeds**—For general corporate purposes. **Office**—273 Columbus Ave., Tuckahoe, N. Y. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., New York, N. Y.

● Summers Gyroscope Co.
Aug. 29, 1960 filed 6,403,215 shares of common stock, of which 5,702,878 shares are to be offered by Atlas Corp. to the holders of its outstanding common on the basis of one Summers share for each two Atlas shares held, and 700,337 shares to be offered by Mertronics Corp. to its stockholders on a share-for-share basis. **Price**—75 cents per share. **Purpose**—The purpose of the offering is to effect a divestiture by Atlas and Mertronics of their 71.1% interest in Summers in order to dispose of matters pending before the CAB. **Office**—2500 Broadway Ave., Santa Monica, Calif. **Underwriter**—None. **Offering**—Expected sometime in late October or early November.

● Sunset House Distributing Corp. (10/3-7)
Aug. 22, 1960 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is in the retail mail order business selling general merchandise throughout the country. **Proceeds** — To Leonard P. Carlson, the issuer's president, selling stockholder. **Office**—3650 Holdredge Ave., Los Angeles, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles, Calif.

Syntex Corp. (10/3-7)
Aug. 8, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is chiefly engaged in the research, development, production, and sale of steroid hormone products. **Proceeds** — For working capital. **Office** — Arcia Building, Justo Arosemena Avenue, Panama, Republic of Panama. **Underwriter**—Allen & Co., New York City.

Techni Electronics, Inc. (10/3)
Aug. 10, 1960 (letter of notification) 112,500 shares of common stock (par 10c). **Price**—$2 per share. **Business**—The firm makes health and massage equipment, electric housewares, and medical electronic equipment. **Proceeds**—For expansion, working capital, and research and development expenditures. **Office**—71 Crawford St., Newark, N. J. **Underwriter** — United Planning Corp., 1180 Raymond Blvd., Newark, N. J.

Technical Materiel Corp. (10/3)
Aug. 25, 1960 filed 120,000 shares of common stock (50 cents par), of which 50,000 shares are to be offered for the account of the issuing company and 70,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company makes and sells hi-fi radio components and systems. **Proceeds**—The proceeds, estimated at $750,000, will be used for construction of a new plant, probably in Westchester County, N. Y., with the balance for working capital. **Office**—700 Fenimore Road, Mamaroneck, N. Y. **Underwriter** — Kidder, Peabody & Co., Inc., New York City (managing).

● Tech-Ohm Electronics, Inc. (10/10-14)
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y. **Note**—This issue was refiled on Sept. 6.

Telecolor
July 25, 1960 (letter of notification) 150,000 shares of common capital stock (par 25 cents) of which 100,000 shares are to be offered by officers. **Price**—$2 per share. **Proceeds**—To lease equipment and for working capital. **Office** — 7922 Melrose Ave., Hollywood, Calif. **Underwriter**—Raymond Moore & Co.. Los Angeles, Calif.

Telephone & Electronics Corp. (10/10-14)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

● Tele-Tronics Co. (10/10-14)
Aug. 10, 1960 (letter of notification) 100,000 shares of common stock (par 40 cents). **Price**—$3 per share. **Proceeds**—For plant expansion, additional machinery, acquisition of new facilities and working capital. **Office**—180 S. Main St., Ambler, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

★ Telex Inc.
Sept. 27, 1960 filed 196,000 shares of common stock, of which 125,000 shares are to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the retirement of $1,100,000 in outstanding notes. **Office**—Minneapolis, Minn. **Underwriter** — Lee Higginson Corp., New York City (managing).

Temperature Engineering Corp. (10/3-7)
Aug. 10, 1960 filed 135,000 shares of common stock (par 25 cents). **Price**—$3.50 per share. **Business**—The manufacture and sale of equipment to create precisely controlled conditions of temperature, humidity, pressure and cleanliness in research, production and quality control. **Proceeds**—The erection of new manufacturing facilities, research and equipment, and the balance for working capital. **Office**—U. S. Highway 130, Riverton, N. J. **Underwriters**—M. L. Lee & Co., Inc., Milton D. Blauner & Co., Inc. and F. L. Salomon & Co., all of New York City.

Tenax, Inc. (10/3-7)
Aug. 16, 1960, filed $1,500,000 of 10-year 6% convertible subordinated debentures, due 1970. **Price** — 100% of principal amount. **Business**—The sale, stocking and financing of freezers. **Proceeds**—Repayment of short-term indebtedness and working capital. **Office**—575 Lexington Avenue, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City.

Therm-Air Mfg. Co., Inc.
Sept. 13, 1960 filed 125,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes and sells temperature and humidity control equipment for military and commercial use. **Proceeds**—To pay loans, for research and development, and for working capital. **Office**—1000 North Division St., Peekskill, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., New York City. **Offering**—Expected in late November.

● Timely Clothes, Inc. (9/30)
July 25, 1960 filed $840,000 of convertible subordinated debentures, due 1980, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 16⅔ shares of common held. The record date and interest rate will be supplied by amendment. **Business** — The firm makes and sells men's clothes, and operates, through two subsidiaries, 10 retail stores. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office** — 1415 Clinton Ave. North, Rochester, N. Y. **Underwriter**—Cartwright & Parmelee, New York City (managing).

● Topic Electronics, Inc. (10/5)
Aug. 17, 1960 (letter of notification) 85,000 shares of common stock (no par). **Price**—$3.40 per share. **Proceeds**—To pay promissory notes, general obligations and for working capital. **Office**—8 Mercer Road, Natick, Mass. **Underwriter**—DuPont, Homsey & Co., Boston, Mass., has withdrawn as underwriter. New underwriter is Morris Cohon & Co., New York City.

Transitron Electronics Corp.
Sept. 9, 1960, filed 1,250,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing). **Offering**—Expected in late October.

● Triangle Lumber Corp. (10/3-4)
July 28, 1960 filed 140,000 shares of common stock (par $1), of which 118,000 shares are to be publicly offered by the company and the remaining 22,000 shares are to be offered to the company's officers and employees. **Prices**—For the 118,000 shares, $8 per share; for the 22,000 shares,, $7.20 per share. **Businesss** — The buying, warehousing, milling, and distribution of lumber, plywood, and millwork for use in residential and industrial construction. **Proceeds** — For general funds to provide additional working capital, and may be used in part to retire short-term indebtedness. **Office**—45 North Station Plaza, Great Neck, L. I., N. Y. **Underwriter**—Bear, Stearns & Co., New York City (managing).

● Trout Mining Co. (10/3-7)
Aug. 22, 1960 filed 296,579 shares of no par common stock (with warrants), to be offered to holders of the outstanding common on the basis of four new shares for each five shares held. **Price**—$1 per share. **Business**—The company is engaged in the mining of silver, lead, zinc, and manganese dioxide. **Proceeds**—For working capital, to repay a bank loan, and for exploration and development of ore bodies. **Office**—233 Broadway, New York City. **Underwriter**—None.

★ Ultra-Sonic Precision Co. Inc. (10/31-11/4)
Sept. 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of precision carbon jigs for transistors and transistor components. **Proceeds** — For general corporate purposes. **Office**—236 Fourth Ave., Mt. Vernon, N. Y. **Underwriter** — Merritt, Vickers, Inc., New York, N. Y.

● Union Texas Natural Gas Corp. (10/3-7)
July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City.

United ElectroDynamics, Inc.
Aug. 22, 1960 filed 169,500 shares of common stock, of which 156,000 shares are to be offered for the account of the issuing company and 13,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company is engaged primarily in the development and manufacture of electronic measurement instruments, and in nuclear detection work relating to the earth sciences. **Proceeds** — To liquidate $800,000 of bank indebtedness, with the balance for general funds. **Office**—200 Allendale Road, Pasadena, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, Calif. (managing). **Offering**—Expected in mid-October.

★ United Gas Corp. (10/31)
Sept. 28, 1960 filed $30,000,000 of sinking fund debentures, due 1980, and $30,000,000 of first mortgage bonds. **Office**—1525 Fairfield Avenue, Shreveport, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co., and Goldman, Sachs & Co. (jointly); White, Weld & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected Oct. 31. **Information Meeting**—Scheduled for Oct. 26 at 10:30 a.m., 2 Rector Street, New York City, Room 240.

★ United Industries Co., Inc.
Sept. 27, 1960 filed $500,000 of 6% convertible serial subordinated debentures. **Price**—At par. **Business**—The issuer's major activity is the warehousing of grain under contract to the U. S. Commodity Credit Corp. **Proceeds**—For expansion, working capital, and loans to subsidiaries. **Office**—1235 Shadowdale, Houston, Texas. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in late October.

United Pacific Aluminum Corp.
Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing).

● United States Boat Corp.
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York. **Note**—This offering has been withdrawn.

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter** — Union Securities Investment Co., Memphis, Tenn.

Utah Gas Service Co.
Aug. 25, 1960 filed $800,000 of 6% first mortgage sinking fund bonds, due Oct. 1, 1975, of which $300,000 will be used for debentures refunding and $500,000 are to be publicly offered. **Price**—At par. **Proceeds**—$440,000 will be used to retire certain outstanding indebtedness. **Office**—511-12 Desert Bldg., Salt Lake City, Utah. **Underwriter**—The First Trust Co. of Lincoln, Nebr.

● Va'dale Co., Inc. (10/10-14)
July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan, advertising and for working capital. **Office**—Red Lion, Pa. **Underwriters**—B. N. Rubin & Co. and H. S. Simmons & Co. both of New York City.

● Vector Industries, Inc. (10/3-7)
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Hauser, Murdoch, Rippey & Co., Dallas, Tex.

• Virginia Capital Corp. (10/17-21)
Aug. 31, 1960 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is licensed by the Small Business Administration to operate throughout Virginia under the Small Business Investment Act of 1958. **Proceeds**—To furnish capital, long-term loans, and consulting and advisory services to selected small business concerns. **Office** — 907 State-Planters Bank Bldg., Richmond, Va. **Underwriter**—J. C. Wheat & Co., Richmond, Va. (managing).

• Vogue Instrument Corp. (10/5-7)
Sept. 13, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of precision metal and electronic products. **Proceeds** — For general corporate purposes. **Office**—381 Empire Boulevard, Brooklyn 25, N. Y. **Underwriter**—S. S. Samet & Co., Inc., 170 Broadway, New York, N. Y.

★ Weatherford, R. V., Co. (11/1)
Sept. 26, 1960 filed 180,000 shares of capital stock (no par), of which 90,000 shares are to be offered for the account of the issuing company and 90,000 shares, representing outstanding stock, are to be offered for the account of R. V. Weatherford, President. **Price**—To be supplied by amendment. **Business** — Distributes electronic parts and equipment, primarily in the 11 western states. **Proceeds** — For debt reduction, inventory, and accounts receivable. **Office**—6921 San Fernando Road, Glendale, Calif. **Underwriter**—Blyth & Co., Inc., New York City (managing).

★ Webb (Del E.) Corp. (11/15)
Sept. 21, 1960 filed $8,000,000 of convertible subordinated debentures, due October 1975, 640,000 shares of common stock, and warrants for the purchase of 320,000 shares of such stock. These securities will be offered in units, each unit to consist of $50 principal amount of debentures, four common shares, and warrants for the purchase of two common shares. **Price**—To be supplied by amendment. **Business** — Real estate, construction, property and community development, and manufacturing. **Proceeds**—For property improvements. **Office**—302 South 23rd Ave., Phoenix, Ariz. **Underwriter**—Lehman Brothers, New York City (managing).

Welded Tube Co. of America (10/17-21)
Aug. 31, 1960 filed 140,000 shares of class A common stock (par $1). **Price**—$6 per share. **Business**—The manufacture and sale of electrical resistance steel tubing. **Proceeds** — $100,000 will be applied to reduction of a $600,000 revolving bank credit, $200,000 for new equipment and machinery, and the balance for general corporate purposes, including working capital. **Office**—2001 S. Water St., Philadelphia, Pa. **Underwriter**—H. Hentz & Co., New York City (managing).

• Wenwood Organizations Inc. (10/3-7)
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due August, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

White Avionics Corp. (10/17-21)
Sept. 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of missiles and aircraft instrumentation. **Proceeds**—For general corporate purposes. **Office**—Terminal Dr., Plainview, L. I., N. Y. **Underwriter**—Planned Investing Corp., New York, N. Y. **Note**—This is a refiling of an issue originally filed last June 6 and subsequently withdrawn.

• Whitmoyer Laboratories, Inc. (10/4)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

Willer Color Television System, Inc. (10/10-14)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

Williamsburg Greetings Corp. (10/24-28)
Aug. 26, 1960 filed 180,000 shares of common stock (par 25 cents). **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged chiefly in the dseign, production, and sale of greeting cards. **Proceeds**—About $400,000 will be applied to the reduction of factoring advances, with the balance to be added to working capital. **Office**—3280 Broadway, New York City. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa., and Amos Treat & Co., Inc., New York City.

★ Wisconsin Electric Power Co.
Sept. 23, 1960 filed $30,000,000 of first mortgage bonds, series due 1990. **Proceeds**—For debt reduction and capital expenditures. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Equitable Securities Corp. (jointly); Glore, Forgan & Co., Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co., Inc. (jointly); The First Boston Corp., Lehman Brothers and Salomon Brothers & Hutzler (jointly); Blyth & Co.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

★ Wood-Mosaic Corp.
Sept. 27, 1960 filed 80,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital of the issuer and its subsidiary, Wood-Mosaic Industries, with the balance for debt reduction. **Office**—Louisville, Ky. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill., and Berwyn T. Moore & Co., Inc., Louisville, Ky.

• Youngstown Sheet & Tube Co. (10/4-5)
Sept. 7, 1960 filed $60,000,000 of first mortgage sinking fund bonds, series H, due 1990. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures and to replenish working capital. **Office** — 7655 Market St., Youngstown 1, Ohio. **Underwriters**—Kuhn, Loeb & Co. and Smith, Barney & Co., both of New York City (managing).

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing was scheduled for Aug. 29 at the request of the company counsel and the results have not as yet been announced.

★ Zurn Industries, Inc.
Sept. 26, 1960 filed 200,000 shares of common stock ($1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering** — Expected in the first half of November.

Prospective Offerings

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing, mostly in the form of first mortgage bonds, is expected early in 1961. **Office** — 502-2nd St., S. W., Calgary, Alberta, Canada.

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

Alloys Unlimited
Sept. 12, 1960 it was reported that a registration of common stock is expected. **Office**—21-09 43rd Ave., Long Island City, L. I., N. Y. **Underwriters**—C. E. Unterberg, Towbin Co. and Newburger, Loeb & Co., both of New York City.

Americana Properties, Inc.
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. The company is in the real estate and bowling center business, and owns three bowling centers. **Proceeds**—For general corporate purposes. **Office**—Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

American Telephone & Telegraph Co. (10/25)
July 20, 1960, the directors authorized a new debenture bond issue of $250,000,000. **Proceeds**—For improvement and expansion of Bell Telephone services. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids** — Expected to be received on Oct. 25. **Information Meeting**—Scheduled for Oct. 20 at 2:30 p.m., 195 Broadway, New York City.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds sometime in the first quarter of 1961. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Automation Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering, will occur shortly. **Note**—This firm was formerly carried in this column under the heading "Automation for Industry, Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter** — Binday, Reimer, Collins & James, Inc., 44 Beaver St., New York City.

Automation Labs Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriters** — Sandkuhl and Company, Newark, N. J., and New York City, and J. I. Magaril & Co., New York City.

Bekins Van & Storage Co.
July 6 it was reported that this company is contemplating a common stock issue. **Office** — 1335 So. Figuroa Street, Los Angeles 15, Calif.

Berkshire Frocks, Inc.
Sept. 21, 1960 it was reported that this firm plans to register a common stock offering. **Office**—Boston, Mass. **Underwriter**—Blair & Co. Inc., New York City.

Brooklyn Union Gas Co.
Sept. 21, 1960 G. C. Griswold, Vice-President and Treasurer, announced that there will be no further financing in 1960 but that $25,000,000 to $30,000,000 of mortgage bonds or preferred stock are expected in late 1961 or early 1962. **Office**—176 Remsen St., Brooklyn 1, N. Y.

★ California Asbestos Corp.
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif.

Carolina Metal Products Co.
Aug. 23, 1960, it was reported that registration is expected of the company's first public offering, consisting of 100,000 shares of common stock. **Price** — $5 per share. **Business** — The company is a primary manufacturer of aluminum siding. **Proceeds**—For new machinery, with the balance to working capital. **Office** — 2 Gateway Center, Pittsburgh, Pa. **Underwriter** — Arnold, Wilkins & Co., 50 Broadway, New York City.

Casavan Industries
Sept. 21, 1960 it was reported by Mr. Casavena, President, that registration is expected of approximately $20,000,000 of common stock. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named.

Circle Controls Corp.
Aug. 20, 1960 it was reported that a letter of notification is expected covering 75,000 shares of common stock. **Proceeds** — For general corporate purposes, including expansion and the establishment of sales organizations. **Office**—Vineland, N. J. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

Citizens & Southern Small Business Investment Co.
Aug. 5, 1960 it was reported that the company is now contemplating a public offering of its securities, possibly $1½ million of common stock. **Office**—Atlanta, Ga.

★ Coca-Cola Co.
Sept. 22, 1960 it was announced that under the terms of the proposed acquisition of Minute Maid Corp. this company would issue about 906,400 shares of its common stock, each share of which will be exchanged for 2.2 Minute Maid shares. **Office**—Atlanta, Ga.

Colorado Interstate Gas Co.
July 28, 1960 the company reported that debt financing of $70,000,000 is contemplated. Precise timing depends on final FPC approval. **Office**—Colorado Springs, Colo.

• Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for

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the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Note**—Sept. 22 it was announced that the management has decided not to market the additional common stock until possibly well into next year.

Consolidated Edison Co. of New York, Inc. (11/22)
Sept. 8, 1960, the company announced that its application to the New York State Public Service Commission for permission to raise $75,000,000 through the sale of first and refunding mortgage bonds is expected in early October. **Proceeds**—For expansion. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expcted Nov. 22. **Information Meeting**—Scheduled for Nov. 16 at 10:00 a.m. at the company's office, 4 Irving Place, New York City.

Consumers Power Co. (12/12)
Sept. 14, 1960 it was reported that the company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. **Bids**—Expected to be received on Dec. 12 up to 11:30 a.m. **Information Meeting**—Scheduled for Dec. 9 at 11:00 a.m., Bankers Trust Co., 16 Wall St., New York City, 12th fl.

Cove Pharmaceutical Laboratories
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering of common stock. **Business**—The distribution of vitamins through department stores. **Proceeds**—For general corporate purposes. **Office**—Glen Cove, L. I., N. Y. **Underwriter**—Hill Thompson & Co., Inc., New York City, N. Y.

Custom Craft Industries
July 13, 1960 it was reported that the company plans a regulation "A." **Proceeds** — For general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Plymouth Securities Corp., New York City.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Dodge Wire Manufacturing Corp.
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. **Proceeds**—For general corporate purposes. **Office** — Covington, Ga. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

Dynacolor Corp.
Aug. 22, 1960 it was reported that new financing will take place in November or December. **Office**—1999 Mt. Read Blvd., Rochester, N. Y. **Underwriter**—The company's initial financing was handled by Lee Higginson Corp., New York City.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in the fall of 1960 approximating $25,000,000 of an as yet undetermined type of security, and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering, in late December or early January. **Office** — 430 Southern Blvd., Bronx, N. Y.

Geophysics, Inc.
Sept. 12, 1960 it was reported that the filing of an issue of common stock is expected. **Office** — Boston, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that October registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena, Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. City.

Ginn & Co.
Sept. 14, 1960 it was reported that an undetermined number of common shares is expected to be filed around the middle of October. **Business**—Publishing. **Office**—Boston, Mass. **Underwriter**—White, Weld & Co., New York City (managing).

Hawaiian Electric Co.
July 25, 1960 it was reported that this utility contemplates the issuance of 250,000 shares of $20 par preferred stock ($5,000,000), perhaps to occur sometime this fall. **Office**—Honolulu, Hawaii.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

★ **Hemingway Brothers Interstate Trucking Co. (10/3)**
Sept. 16, 1960 the ICC granted the firm permission to issue $1,000,000 of 10-year registered 6% subordinated debentures. **Business**—The firm is a common carrier by motor vehicle operating in nine Eastern states. **Proceeds**—For debt reduction and additional equipment. **Office**—New Bedford, Mass. **Underwriter**—None. **Offering**—Expected about Oct. 3.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Lone Star Gas Co.
Aug. 3, 1960, it was reported that about $37,000,000 will be raised to cover capital requirements over the next year. **Office**—301 So. Harwood Street, Dallas 1, Texas.

● **Loral Electronics Corp.**
Sept. 1, 1960 it was reported that November registration is expected of up to $5,000,000 of convertible debentures. **Office**—New York 72, N. Y. **Underwriters**—Kidder, Peabody & Co. and Model, Roland & Stone, both of New York City. **Offering**—Expected in December.

Louisville & Nashville RR. (10/17)
Sept. 21, 1960 it was announced that $4,125,000 of equipment trust certificates will be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler. **Bids**—Expected before noon, EST, on Oct. 17.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

● **Meadow Brook National Bank**
Sept. 14, 1960 it was reported that pursuant to an Oct. 11 stockholders meeting a rights offering of 462,564 shares is expected. The new shares will be offered to stockholders on the basis of one share for each 4½ shares held. **Price**—To be announced. **Proceeds**—To supply cash for merger with Colonial Trust Co. **Office**—West Hempstead, L. I., N. Y. **Underwriter**—Lee Higginson Corp., New York City (managing), and Lehman Brothers.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

New Jersey Bell Telephone Co. (11/15)
Sept. 1, 1960 approval was obtained from the New Jersey Board of Public Utility Commissioners for the sale of $20,000,000 of 40-year debentures. **Proceeds**—To reduce indebtedness and to supply funds for capital expenditures, which are expected to reach a record high of $105,000,000 in 1960. **Office**—Newark, N. J. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 15.

★ **Northern Fibre Glass Co.**
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Pul, Minn.

Northern Natural Gas Co.
It was reported on Aug. 2, 1960 that the utility is contemplating issuing $30,000,000 of debentures in the Fall. **Office**—Omaha, Neb.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Northern Trust Co. of Chicago
The bank is offering to holders of record Sept. 15, 1960 125,000 additional shares of common stock on the basis of one new share for each five shares then held. Rights expire Oct. 5. **Price**—$105 per share. **Office**—Chicago. **Underwriter**—Blyth & Co., Inc., New York City (managing).

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected on or about Oct. 15 of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls Inc., 1 Maiden Lane, New York 38, N. Y.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Otter Tail Power Co.
July 27, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of $6,000,000 of first mortgage bonds is contemplated, although "plans for implementation of this project during 1960 are as yet indefinite, and there is a distinct possibility that it might be postponed to 1961." **Office**—Fergus Falls, Minn.

Pacific Gas & Electric Co. (11/1)
Aug. 24, 1960, it was announced that the California utility intends to sell $60,000,000 of first and refunding mortgage bonds. **Proceeds**—For general corporate purposes, including the payment of bank loans incurred for expansion, which expense will approximate $152,000,000 in 1960. **Office**—245 Market Street, San Francisco 6, Calif. **Underwirter**—To be determined by competiitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be received on Nov. 1.

★ **Pacific Gas Transmission Co.**
Sept. 23, 1960 it was reported that in addition to the common stock offering filed Sept. 20 (see "Securities In Registration"), this subsidiary of Pacific Gas & Electric Co. plans to sell $99,000,000 of first mortgage bonds and $13,300,000 of convertible debentures. **Office**—San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City (managing).

★ **Panhandle Eastern Pipe Line Co.**
Sept. 28, 1960 it was reported that $65,000,000 of debentures are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing.)

● **Peerless Mortgage Co.**
Sept. 21, 1960 it was reported that this company is preparing a "Rg. A" filing. **Proceeds** — To increase buying power for purchase of first and second mortgages. **Office**—Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co., Inc. of Philadelphia, Pa. and New York.

★ **Pocket Books, Inc.**
Sept. 28, 1960 it was reported that a secondary offering is being discussed, with registration likely in the first quarter of 1961. **Office**—630 Fifth Ave., New York City. **Underwriter**—To be named.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co. and Stone & Webster Securities Corp. (jointly).

Public Service Co. of New Hampshire (11/17)
Aug. 29, 1960 it was reported that the company plans an issue of $6,000,000 of bonds. **Office**—1087 Elm Street, Manchester, N. H. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Nov. 17.

Public Service Electric & Gas Co.
July 26, 1960 it was reported that in addition to the $50,000,000 obtained from the Sept. 20 bond offering, $95,000,000 more will be needed to complete the 1960 construction program. Further financing is expected sometime in December, with the type and timing as yet undetermined.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

Rochester Gas & Electric Corp.
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected in the spring of 1961, perhaps in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

★ **Rudd-Melikian, Inc.**
Sept. 28, 1960 it was reported by J. C. Barr, a corporate officer, to this paper that new financing is being discussed. No details are available. **Office**—Hatboro, Pa.

★ **Storer Broadcasting Co.**
Sept. 28, 1960 it was reported that a secondary offering is being planned. **Office**—Miami Beach, Fla. **Underwriter**—Reynolds & Co., New York City.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Shatterproof Glass Corp.
Sept. 21, 1960 it was reported that 50,000 shares of common stock and 100,000 shares of class B convertible preferred stock will be registered. **Office**—4815 Cabot Ave., Detroit 10, Mich. **Underwriters**—Straus, Blosser & McDowell, Chicago, Ill., and Dempsey-Tegeler Co., St. Louis, Mo.

★ **Southern Bell Telephone & Telegraph Co. (12/5)**
Sept. 26, 1960 the company authorized the issuance of $75,000,000 of debentures to be dated Dec. 1, 1960. **Proceeds**—For construction. **Office** — Atlanta, Ga. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., both of New York City. **Registration**—SEC registration is expected in November. **Bids**—Expected on or about Dec. 5.

Southern Railway Co.
Sept. 21, 1960 it was announced that a Halsey, Stuart & Co. Inc., group expects to bid on $25,000,000 of the road's bonds. No other details are available.

Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

Thermadyne
Aug. 20, 1960 it was announced that a letter of notification is expected covering 75,000 shares of common stock. **Business**—The company makes and distributes plastics and resins for the missile, electronic, and boating industries. **Office**—Hialeah, Fla. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

● **Trans World Airlines, Inc.**
Sept. 20, 1960 it was announced that the original financing plan proposed by Dillon, Read & Co., Inc., and other bankers has been abandoned. It was hoped that the bankers, who also include Lazard Freres & Co. and Lehman Brothers, will have the plan ready before the end of this month. **Office** — 10 Richards Road, Kansas City 5, Mo. The discussions are continuing.

★ **Trunkline Gas Co.**
Sept. 28, 1960 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

★ **United Air Lines, Inc.**
Sept. 23, 1960 it was reported that an issue of convertible debentures is being considered. **Office**—5959 South Cicero, Avenue, Chicago, Ill. **Underwriter**—Harriman Ripley & Co., New York City.

★ **Vibration Mountings & Controls, Inc.**
Sept. 23, 1960 it was reported that this company's first public offering, consisting of 150,000 shares of common stock, is expected to be registered shortly. **Proceeds**—For expansion and working capital. **Office**—98-25 50th Ave., Corona, L. I., N. Y. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

★ **Virginia Electric & Power Co.**
Sept. 8, 1960 it was reported that the company will need $30,000,000 to $35,000,000 from outside sources in 1961, and expects to come to the market for it in March or June. The precise form of financing will depend upon market conditions. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

Waldorf Auto Leasing Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriters**—J. I. Magaril & Co., New York City and Sandkuhl and Company, Newark, N. J., and New York City.

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa. **Registration**—Expected in late October.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

$75,000,000 California Bonds Offered

A merged account, headed jointly by Bank of America N. T. & S. A. and Bankers Trust Company, was the only bidder for the two California bond issues totaling $75,000,000, which were offered for sale on Sept. 28. The group, in purchasing the bonds, bid 100 for $50,000,000 California Veterans securities and 100.2917% for $25,000,000 California State School Building Aid Obligations. The veterans bonds are due April 1, 1962 to 1986, inclusive, and the State School Building Aid obligations are due Sept. 1, 1962 to 1986, inclusive.

Both issues carry coupons of 5%, 4%, 3¾%, 3½% and 3¼%, representing a net interest of 3.8157% for the veterans bonds and 3.791% for the school building aid bonds.

On reoffering, the bonds were scaled from a yield of 2% to a dollar price of 101⅜, according to maturity.

Veterans bonds maturing on and after April 1, 1982 are subject to redemption on April 1, 1981 and on any interest payment date thereafter at par and accrued interest. State School Building Aid bonds maturing on and after Sept. 1, 1982 are subject to redemption on Sept. 1, 1981 and on any interest payment date thereafter at par and accured interest.

Other members of the merged group include:

The Chase Manhattan Bank; The First National City Bank of New York; The First National Bank of Chicago; Halsey, Stuart & Co., Inc.; Morgan Guaranty Trust Co.; Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co., Inc.; Harris Trust and Savings Bank; Smith, Barney & Co.; Lehman Brothers; Kuhn, Loeb & Co.;

Wells Fargo Bank American Trust Co.; Security First National Bank; California Bank, Los Angeles; Drexel & Co.; Glore, Forgan & Co.; Chemical Bank New York Trust Co.; C. J. Devine & Co.; Continental Illinois National Bank and Trust Company of Chicago; The Northern Trust Co.; Crocker-Anglo National Bank;

R. H. Moulton & Co.; Goldman, Sachs, & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Bear, Stearns & Co.; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Dean Witter & Co.; White, Weld & Co.; Blair & Co., Inc.; Weeden & Co., Inc.;

The First National Bank of Boston; The First National Bank of Oregon; The Philadelphia National Bank; Seattle-First National Bank; Equitable Securities Corp.; Stone & Webster Securities Corp.; Phelps, Fenn & Co.; Salomon Bros. & Hutzler; R. W. Pressprich & Co.; Paine, Webber, Jackson & Curtis; Mercantile Trust Co.;

Lazard Freres & Co.; Shields & Co.; Reynolds & Co.; J. Barth & Co.; Ladenburg, Thalmann & Co.; John Nuveen & Co. (Inc.); William R. Staats & Co.; Hornblower & Weeks; Wertheim & Co.; Hayden, Stone & Co.; A. C. Allyn and Co., Inc.;

First Western Bank and Trust Company, San Francisco, Calif.; E. F. Hutton & Co.; Carl M. Loeb, Rhoades & Co.; American Securities Corp.; James A. Andrews & Co., Inc.; Bache & Co.; Bacon, Whipple & Co.; A. G. Becker & Co., Inc.; Branch Banking & Trust Co.; Braun, Bosworth & Co., Inc.; Alex. Brown & Sons; Clark, Dodge & Co., Inc.; Dick & Merle-Smith;

Dominick & Dominick; Fidelity Union Trust Company, Newark, N. J.; First of Michigan Corp.; Gregory & Sons; Hallgarten & Co.; Hemphill, Noyes & Co.; W. E. Hutton & Co.; Laidlaw & Co.; Lee Higginson Corp.; W. H. Morton & Co., Inc.;

F. S. Moseley & Co.; National State Bank of Newark; Roosevelt & Cross Inc.; L. F. Rothschild & Co.; Shearson, Hammill & Co.; Stone & Youngberg; Stroud & Co., Inc.; Taylor and Co.; B. J. Van Ingen & Co., Inc.; Adams, McEntee & Co., Inc.;

Barr Brothers & Co.; J. C. Bradford & Co.; Brown Brothers Harriman & Co.; Coffin & Burr Inc.; F. W. Craigie & Co.; Francis I. duPont & Co. and Estabrook & Co.

First of Michigan To be NYSE Member

DETROIT, Mich.—W. Sydnor Gilbreath, Jr., President of First of Michigan Corp., Buhl Building, will acquire a membership in the New York Stock Exchange, and the firm will become an exchange member as of Oct. 6. First of Michigan is a member of the Detroit and Midwest Stock Exchanges.

Other officers of the firm are David H. Callaway, Jr., and Henry Earle, senior vice - presidents; George L. Barrowclough, Oscar L. Buhr, Douglas H. Campbell, Cecil R. Cummings, Edward N. Ganser, Clarence A. Horn, vice - presidents; Theodore A. Fricke, treasurer and assistant secretary; Ralph F. Khuen, secretary; Albert E. Latto and William F. Weed, assistant vice-presidents; and Adrian G. Francis, assistant treasurer and assistant secretary.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Unless a great calamity befalls our country and a substantial part of the world, the two major Presidential candidates four years from now will, in all likelihood, promise to come up with a new plan to aid in solving the farm problem.

Whatever is said in 1964 probably will sound pretty good on paper. In the current campaign, Vice-President Richard M. Nixon and Senator John F. Kennedy are agreed out on the stump that the present farm surpluses must be gotten rid of and that they should not be allowed to pile up again.

The United States is by far the greatest producer of good food of any countries in the world. We produce more than half as much as Soviet Russia. Our country raises nearly one-quarter of the world's meat, 37% of the world's cotton and 53% of the world's corn.

All over our land one of the greatest harvests of foodstuffs and grains we have ever produced is under way at this moment. The women folk have canned one of the biggest supplies of fruits and vegetables of all times. The county and state fairs have been showing samples of what the good earth has produced this year.

Produce of All Kinds

The cattle barns and the rangelands in the early days of autumn have some of the finest beef and dairy herds the world has ever known. The Department of Agriculture says the hog farmers in the 10 corn belt states report that 3% more sows were bred and intended for farrowing in September-November than a year ago, but total farrowing will be down slightly because of a 7% reduction in June-August.

We have more milk and butter this fall than we had a year ago. Milk production is running a shade above last year. Butter and cheese sold to the Commodity Credit Corporation for price support this year is about the same as last year.

Production of all wheat is estimated at 1,368,000,000 bushels, the second largest of record and more than a fifth larger than 1959. Production of rice is estimated at 52,500,000 equivalent 100 pound bags, just 1% below last year.

There is certainly going to be plenty of turkeys for Thanksgiving and Christmas and in between. The total turkey crop this year is 82,000,000 birds, and equals last year's record. Turkey slaughter in large plants in June, July and August exceeded 1959 by 25%. As a result, turkey slaughter in the next two months, may be lower than last year.

The Department of Agriculture recently bought 4,100,000 pounds of frozen ready-to-cook turkey under the 1960 turkey purchase program. The meat will be given to the national school lunch program.

The record 1960 cranberry crop, at 1,288,500 barrels, is 4% larger than last year's big crop and 29% above average. The peach crop was up a little, while the output of apples, pears and grapes is down slightly from 1959.

Unfortunately Hurricane Donna dealt a mighty blow to the Florida grapefruit crop, and caused great damage to the orange groves in some sections.

Headaches, Too

Some of the statistical information is cited here to show what a bountiful yield our good earth with its sunshine and rain is bringing to the people. But while this great harvest is taking place across the country in the bright autumn and sunshine, there are more and more headaches piling up for the Department of Agriculture.

Both the Democrats and Republicans adopted planks on the farm issue at their conventions in July. Both were high-sounding declarations.

Each party went on record favoring establishment of a food reserve for defense purposes or a national emergency in general. Certainly all the American people favor storing a substantial amount of foodstuffs each year in the event of a great national emergency. This, of course, is the same principle of having some money in the bank for a personal emergency. A great drought in our country could cause an emergency if the drought extended wide enough.

But what the people of this country — the great majority of them at least—want is tremendous curb and eventual abolishment of the support prices, which is a disgrace. No particular administration is responsible for this horrible predicament.

Congress to Blame

Senator Kennedy charges that Secretary of Agriculture Ezra Taft Benson has spent more of the taxpayers' dollars than any cabinet officer who has held that post, and he has acquired more surpluses. That is correct, perhaps. But—why has he done these things? Because Congress passed laws directing that he do them.

Out on the Farm Belt, Senator Kennedy has hammered away on the stump at what he has called the bungling of the farm problem by the Eisenhower Administration. The farm issue is the No. 1 domestic issue in the country, he has declared over and over.

Vice-President Nixon, hoping to roll up a majority in the Farm States, has tried to disassociate himself from Secretary Benson. This has not been to Mr. Nixon's credit.

When Secretary Benson steps aside for the new secretary, he will not have been the most popular cabinet officer of the Eisenhower Administration. But when the history of this Administration is written, historians may say that President Eisenhower did not have a more courageous man in his Administration.

The distinguished gentleman from Utah, who was born on a farm himself, was a dirt farmer, has gone across America preaching lower farm supports. Mr. Benson has in effect said the law of supply and demand in agriculture was the best policy.

However, these preachings have not taken so well with members of Congress and a segment of the farm population.

The Vice-President says with some plausible reasoning that it does not make sense to spend millions of dollars a year finding new uses of agricultural products while at the same time we are spending about $5,000,000,000 to finance and store the surplus products coming off the farm.

Kennedy's Position

Senator Kennedy favors a compulsory program of land retirement. Each farm would be required to retire part of his crop land. This plan would be tied to high price supports and government controls.

The New England candidate has been somewhat effective in his talks about once thriving communities and towns becoming ghost towns as a result of the soil bank program. He points out that vast sums have been spent reducing production. The cost of the soil bank alone was considerably greater than the total cost of price-support operations for the entire 20 years under the Roosevelt and Truman Administrations, declares Mr. Kennedy.

At this time there are 21 farm products out of more than 240 farm commodities that are price supported. Supports include those of wheat, corn, cotton, rice, tobacco, peanuts, oats, rye, barley, grain sorghum, tung nuts, honey, milk, butter-fat, wool and mohair.

But these 21 products are costing a sizable chunk of the taxpaying dollar to support. The next Administration—Kennedy or Nixon—will have to face the farm problems with its overproduction. If Mr. Nixon should be elected, he will choose his Secretary of Agriculture from the Mid-West "with a background of training and experience in agriculture." If Mr. Kennedy is elected, he too will name a man from the Mid-West with splendid agricultural background and experience.

However, it is going to take more than an able administrator to help solve the farm problems. The paramount need is bringing supplies of farm products into balance with the market demands.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"—and I stand for a pay-as-you-go program—oh, by the way, those things I just bought—charge them."

Businessman's BOOKSHELF

Changing Structure of Commercial Banking—George E. Lent—Amos Tuck School of Business Administration, Dartmouth College, Hanover, N. H. (paper), copies on request.

Charting Steel's Progress: A Graphic Facts Book on the Iron and Steel Industry — American Iron and Steel Institute, 150 East 42nd St., New York 17, N. Y. (paper).

Check Standards Under the Common Machine Language—A Guide for Redesign of Checks and Deposit Tickets — American Bankers Association, 12 East 36th St., New York 16, N. Y. (paper), $1.00.

Checklist for the Organization, Operation and Evaluation of a Company Library — Eva Lou Fisher—Special Libraries Association, 31 East 10th St., New York 3, N. Y. (paper), $2.00.

City Government Finances in 1959 —Compendium—U. S. Department of Commerce, Bureau of the Census, Washington, D. C.

Combined Financial Statements of Members of the Federal Home Loan Bank System—Federal Home Loan Bank Board, Washington, D. C. (paper).

Construction Reports: Building Permits—September, 1960, U. S. Department of Commerce — Bureau of the Census, Washington 25, D. C., 25 cents per copy ($3.00 per year).

Consumer Buying Intentions — Survey — September Federal Reserve Bulletin — Federal Reserve Board, Washington, D. C.

Corporate Income Tax in Sweden — Stockholms Enskilda Bank, Stockholm 16, Sweden (paper).

Cost of Freedom: A New Look at Capitalism — Henry C. Wallich — Harper & Brothers, 49 East 33rd St., New York 16, N. Y. (cloth), $3.75.

Critics of Keynesian Economics—Edited by Henry Hazlitt—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J. (cloth), $7.00.

Debt Management and Advance Refunding — U. S. Treasury Department, Washington, D. C. (paper).

Employment of Mature Workers — Bulletin — National Association of Manufacturers, 2 East 48th St., New York 17, N. Y. (paper).

Essentially Equivalent to a Dividend—Paul D. Seghers, William J. Reinhart and Selwyn, Nimaroff—A volume in the "Tax Practitioners' Library"—The Ronald Press Company, 15 East 26th Street, New York 10, N. Y., $10.00.

Financing A College Education in Virginia: Costs at Virginia Colleges and Sources for Funds—The Bank of Virginia, Richmond, Va.

Mutual Savings Banks of the United States — Directory of the Mutual Savings Banking Industry —National Association of Mutual Savings Banks, 60 East 42nd Street, New York 17, N. Y.

Our National Water Resources — Views of industry on wise use and management—Economic Problems Department, National Association of Manufacturers, 2 East 48th Street, New York 17, N. Y. (paper), $1.

Power of the Democratic Idea—Special Studies Project, Rockefeller Brothers Fund, 50 Rockefeller Plaza, Room 922, New York 20, N. Y. (paper).

Profitable Trading With Puts and Calls—Richard Whiting—R. H. M. Associates, 220 Fifth Ave., New York, N. Y. (paper), $4.95.

U. S. Nuclear Power Projects—"Progress Chart" showing owner-operator; location, type, fuel, power level, completion date, architect-engineer of reactor system, reactor system builder; etc. —Atomics Industrial Forum, 3 East 54th Street, New York 22, N. Y., $1.00.